GOVERNMENT OF INDIA
TARIFF COMMISSION

REPORT
ON
THE PRICE STRUCTURE OF MAN-MADE FIBRES AND YARNS INDUSTRY

VISCOSE STAPLE FIBRE SPUN YARN

BOMBAY 1972

PERSONNEL OF THE COMMISSION

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GLOSSARY

M.M.F.S.A.	The Man-made Fibre Spinners' Association.
ICMF	The Indian Cotton Mills' Federation.
SIMA	The Southern India Millowners' Association.
SASMA	The Silk and Art Silk Mills' Association Ltd.
Gwalior Rayon	M/s. Gwalior Rayon Silk Mfg. (Wvg.) Co. Ltd.
SIV	M/s. South India Viscose Ltd.
STC	The State Trading Corporation of India Ltd.
ISI	The Indian Standards Institution.
SITRA	South India Textile Research Association.
BTRA	Bombay Textile Research Association.
ATIRA	Ahmedabad Textile Industry Research Association.
SASMIRA	Silk & Art Silk Mills' Research Association.

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Unless otherwise specified, the expressions staple fibre and staple fibre yarn used in this Report denote Viscose Staple Fibre and Viscose Staple Fibre Spun Yarn respectively.

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REPORT ON THE PRICE STRUCTURE OF VISCOSE STAPLE FIBRE SPUN YARN

1. Introductory.

In July 1968 the Government of India in the erstwhile Ministry of Commerce made a comprehensive reference to the Commission under Section 12(d) of the Tariff Commission Act, 1951 to examine the price structure of all man-made fibres and yarns and furnish Report to them. As mentioned in paragraph 2.1 of its Report on the price structure of Viscose and Acetate Filament Yarn and Staple Fibre (1970), the Commission decided to undertake the inquiry in four stages covering respectively, (i) rayon tyre cord, (ii) viscose and acetate filament yarn and staple fibre, (iii) synthetic fibres and yarns, and (iv) viscose staple fibre spun yarn. The Reports on the first three stages have already been forwarded to Government. The present Report constitutes the fourth and final stage of our inquiry and covers viscose staple fibre spun yarn.

2. Method of Inquiry.

2.1. Questionnaires were issued to known producers of viscose staple fibre spun yarn and consumers' associations in October 1969. Subsequently a press-note was released on 1st November 1969 inviting interested parties to obtain copies of relevant questionnaires in respect of this inquiry. Detailed memoranda on the industry were called for from the producers' associations and the Textile Commissioner. Government departments associated with this industry were also requested to furnish specific data. A list of parties to whom questionnaires or letters were addressed and from whom replies or memoranda were received is given in Appendix-I.

2.2. In consultation with the Textile Commissioner and the Silk and Artsilk Manufacturers' Association nine units were selected for cost investigation. Of these one had to be dropped as it reported not to have produced any spun yarn for the last three years. The names of the costed units and the Cost Accounts Officers who undertook the cost investigation and the period covered are given in Appendix-II.

2.3. A public inquiry into the industry was held at Bombay on 11th and 12th April 1972. A list of those who attended the public inquiry is given in Appendix-III. Following this we also held group discussions with certain consumers' associations. Discussions on costs were also held with individual producers *in camera* during the latter half of April 1972.

2.4. Shri D. P. Anand, Chairman, accompanied by Shri Pramod Singh, Member and Dr. P. V. Gunishastri, Secretary, visited Kiran Spinning Mills, Thana on 22nd April 1972. Earlier, the unit was also visited by Shri S. N. Raghavan, Senior Cost Accounts Officer and Shri S. Ganesan, Assistant Director on 7th April 1972.

3. Structure of the Industry.

3.1. Although viscose staple fibre yarn was made in India even during the fifties, this industry came to be established firmly only during the Second Plan period, when following the setting up of substantial indigenous facilities for production of viscose staple fibre, its main raw material, Government issued industrial licences to a few mills to exclusively produce this yarn. The indigenous production which was about 11,000 tonnes in 1951 nearly doubled by 1961 and by the end of 1971 the annual production had gone up by more than five times. Appendix-IV shows the annual growth in spindleage and production of viscose staple fibre spun yarn during the last two decades.

3.2. The units consuming staple fibre may be classified under three categories. In the first category, there are about 24 units exclusively licensed to produce staple fibre yarn. Of these 18 are reported to be in production at present. In the second category fall all those cotton textile mills which by general permission No. 2(10)/64-Control, dated 14th August 1964 were permitted by the Textile Commissioner to produce staple fibre yarn also, provided the raw material was of indigenous origin. The exact number of such units is not known but the M.M.F.S.A. has estimated the total number of such spinning units (excluding composite mills) at 82. These units are spread over Jammu & Kashmir, Rajasthan, Maharashtra, West Bengal, Kerala and Tamilnadu. The third category comprises the composite cotton textile mills, approximately 150 in number, which use staple fibre mostly for blending with cotton.

4. Capacity and Production.

4.1. There is considerable difficulty in assessing the exact capacity of this industry. Whereas we received fairly reliable information about the number of units, licensed capacity and production in respect of units licensed purely for viscose staple fibre spinning, in the case of cotton mills permitted to divert a part of their spindleage for spinning viscose staple fibre yarn, no reliable figures were available. The same was the case in respect of composite mills also. This apart, some of the staple fibre spinning units have been given permission to operate their spindles on cotton also.

4.2. The two associations representing the industry, namely, the I.C.M.F. and the M.M.F.S.A. while furnishing to us certain data on capacity, stated that they were unable to furnish exact figures for the industry as a whole, in view of the interchangeability of spindle usage. The Textile Commissioner, who is the administrative authority for this industry, has furnished to us data on capacity of the 24 purely viscose staple fibre spinning units and a few cotton mills, but in both cases the figures include cotton yarn capacity also.

4.3. The table below shows the number of units, spindleage worked and countwise production of yarn for the industry as a whole since 1961 based on the information published by the Textile Commissioner as well as that separately furnished by him. It may be seen that production of yarn below 30s which accounted for about 60 per cent of production prior to 1968, has gone down to 50 per cent in 1970 while that of 40s has gone up from 26 to 46 per cent in the same period.

TABLE 1

Average number of spindles worked and countwise production of staple fibre yarn since 1961

Year	No. of units to which the data relate	Monthly average No. of spindles worked ('000)				Countwise Production of spun yarn (Tonnes)					
		I Shift	II shift	III shift	Average per shift	1s-10s	11s-20s	21s-30s	31s-40s	41s and above	Total
1961	N.A.	295	284	165	248	24	10,284	3,576	5,700	2,405	21,989
1962	N.A.	336	318	211	288	168	12,696	6,204	6,870	1,740	27,678
1963	N.A.	353	345	244	314	156	10,860	9,876	7,044	1,506	29,442
1964	72	337	363	324	341	60	12,082	12,058	7,932	1,524	33,656
1965	77	394	431	392	406	240	14,124	14,496	10,260	1,604	40,724
1966	79	425	462	413	434	204	17,448	16,080	10,908	1,485	46,125
1967	76	485	524	488	499	600	17,568	17,928	12,588	1,943	50,627
1968	69	506	544	504	518	420	19,416	20,103	16,644	2,376	58,959
1969	63	489	514	465	489	380	15,012	16,464	20,868	2,076	54,800
1970	66	510	540	488	512	324	15,684	15,060	28,404	2,363	61,835
1971	90	545	561	524	543	..	..	..	..	..	63,933

4.4. At the public inquiry we explored the various means of ascertaining correctly the capacity of this industry but all concerned expressed their inability to provide precise information. Representatives of the Textile Commissioner who were present had offered to compile and furnish to us this vital information on the basis of C.S.T. returns which their office was getting from the units periodically, but later they informed us of their inability to furnish all the data we had called for. They have however given us the following data :—

(i) Unit-wise capacity (licensed and installed as on 1-1-1972 and utilised in 1971 and the first two months of 1972) and production of yarn from 1968 to 1972 (Jan.-Feb.) in respect of 24 purely spinning units.

(ii) Capacity utilised in July 1971 and production of yarn during 1968, 1969, 1970 and 1971 in respect of a few cotton textile units.

These are given in Appendices V & VI respectively.

4.5. The figures of installed capacity furnished by the Textile Commissioner were much higher than the licensed capacity in the case of a few units (indicated with asterisk in Appendix-V). It was clarified by him that all the capacity in excess of licensed capacity related to cotton spinning and that by a special permission now extended upto 31-3-1973 the purely staple fibre spinning units can run their spindles on cotton. On his advice, we have adopted licensed capacity as the installed capacity of these units. The total installed capacity of 18 units exclusively spinning staple fibre comes to 3,57,861 spindles. The remaining six units in this sector with an aggregate licensed capacity of 73,772 spindles seem to have closed down or stopped production during the last few years. The Textile Commissioner informed us that it was difficult to give the reasons for their closure.

4.6. As regards the cotton textile mills which are also manufacturing viscose staple fibre yarn, as may be seen from Appendix VI, only very limited data have been furnished. Although names of as many as 88 units have been given by the Textile Commissioner (as against 82 mentioned by M.M.F.S.A.) no figures of licensed capacity were available presumably because these were not licensed in the strict sense of the term and have been working under the general order of 1964. Similarly, data on installed capacity for staple fibre yarn were also not available, since their spindleage is primarily for cotton and only partly and/or temporarily diverted for spinning staple fibre yarn. All the data which the Textile Commissioner could furnish in respect of the cotton textile mills were the number of spindles utilised for the manufacture of staple fibre spun yarn though not for all the 88 units in the list.

4.7. Tables (Nos. 2 and 3) on the following pages a summary of the Appendices V and VI together with the production statistics published in the Indian Textile Bulletin. Complete data regarding the manufacturing activities are available in respect of 17 exclusive spinning units and 19 cotton textile mills for all the years. Data are also available in respect of a few more units in both the sectors but these data for different years do not necessarily relate to the same units.

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TABLE 2

Data on manufacturing activities of exclusive staple fibre spinning units and Chtton textile mills

—	Licensed capacity as on 1-1-1972	Production of Yarn (Tonnes)			
		1968	1969	1970	1971
A. *Pure Staple Fibre Spinning units*—					
(i) Units for which complete data is available.	334,266 (17)	28,668 (17)	27,684 (17)	30,708 (17)	30,192 (17)
(ii) Data with varying No. of units .	106,022 (7)	3,156 (2)	2,532 (2)	2,160 (1)	24 (1)
TOTAL .	440,288 (24)	31,824 (19)	30,216 (19)	32,868 (18)	30,216 (18)
B. *Cotton Textile composite milles*—					
(i) Units for which complete data is available.	..	15,840 (19)	14,376 (19)	16,200 (19)	16,704 (19)
(ii) Data with varying No. of units .	..	612 (4)	984 (5)	2,316 (6)	2,172 (5)
TOTAL .	..	16,452 (23)	15,360 (24)	18,516 (25)	18,876 (24)

TABLE 2—*Contd.*

Data on manufacturing activities of exclusive staple fibre spinning units and Cotton textile mills

—	Licened capacity as on 1-1-1972	Production of Yarn (Tonnes)			
		1968	1969	1970	1971
C. *Grand Total* (A+B)					
(i) Units for which complete data is available.	..	44,508 (36)	42,060 (36)	46,908 (36)	46,896 (36)
(ii) Data with varying No. of units .	..	3,768 (6)	3,516 (7)	4,476 (7)	2,196 (6)
TOTAL .	..	48,276 (42)	45,576 (43)	51,384 (43)	49,092 (42)

Note.—Figures within the brackets in each case indicate the number of units to which they relate.

TABLE 3

Comparison of production data received by us and also published

(In tonnes)

	1968	1969	1970	1971
(a) Total production of viscose staple fibre yarn as published in the Indian Textile Bulletin . . .	58,959	54,800	61,835	63,933*
(b) Production of 17 exclusive spinning and 19 cotton units .	44,508	42,060	46,908	46,896
(c) Production reported of other units varying in number .	3,768 (16)	3,516 (7)	4,476 (7)	2,196 (6)
Sub-total (b) + (c)	48,276	45,576	51,384	49,092
Difference between . (a) and (c) . .	10,683	9,224	10,451	14,841

Note.—Figures in brackets indicate the number of units to which they relate.

*Provisional.

The published figures, it may be seen, are higher in all the years and the difference between them and those furnished by the Textile Commissioner is around 10,000 tonnes every year and about 15,000 tonnes in 1971. The Textile Commissioner however has not been able to reconcile the figures reported to us in connection with the present inquiry and those published in the Indian Textile Bulletin.

4.8. **Capacity utilisation:**

4.8.1. We had requested the Textile Commissioner to supply data on spindle usage since 1964—the year in which the general permission was granted—but we have been informed that it was difficult to do so except for the latest year. Information on this in respect of individual units is already given in Appendices V and VI.

It would be observed from the Appendices that there has been a drop in spindle activity during 1969 and the industry has attributed this to shortage of staple fibre.

4.8.2. The M.M.F.S.A. has reported that substantial capacity in the industry remained unutilised, but since the capacity of the industry itself has not been precisely estimated, it was not possible to work out the extent of under-utilisation. According to its calculation at the rate of six ounces of staple fibre per shift per spindle, the requirement of the 24 purely spinning units worked out roughly to about 220 tonnes of staple fibre per day, as against which the daily supply of fibre was only 180 tonnes. If the other "part-staple fibre" spinning units were also taken into account the gap between the availability and requirement for staple fibre would widen. This, the Association has added, was an indirect indicator of the extent of under-utilisation of capacity in the industry. The main reason advanced for under-utilisation of capacity by the industry was non-availability of the raw material, namely, viscose staple fibre in sufficient quantities. This point has been discussed later in detail in paragraph 6. In a few cases, power cut/failure was also referred to as a responsible factor while labour unrest, absenteeism etc., were also cited by some others. *In the absence of the relevant data it has not been possible for us to assess the exact extent of under-utilisation of capacity.*

4.9. **Future expansion.**—According to the Textile Commissioner no expansion in the production of staple fibre yarn is envisaged in the future, although cotton mills have been given freedom to use staple fibre according to the availability in the country either for blending or for spinning yarn with 100 per cent staple fibre as substitute for cotton. It appears, however, that some of the cotton mills have applied to the Licensing Committee for issue of formal industrial licence under Section 23(5) of the Industries (Development and Regulation) Act to cover their activity on viscose staple fibre spinning and that the applications are under consideration.

4.10. **The Economic size.**—Maximum utilisation of capacity by itself cannot yield all the economies of production, unless the operating unit itself is of an economic size. We had therefore sought the views of the industry with regard to the economic size of a spinning unit. Divergent views were expressed on this subject. The economic size of a unit according to a few was 12,000 spindles while for some it was 24,000 and to many 25,000 and so on going up to 50,000 spindles. At the public inquiry I.C.M.F. and the M.M.F.S.A. said that a unit with 25,000 spindles could be considered economic. It was also suggested that smaller ones should be allowed to expand to the economic size. The Textile Commissioner has stated that although in the past a unit with 12,000 spindles used to be considered an economic one, the current thinking is to place it at 25,000 spindles. Generally speaking the consensus was that a unit with 25,000 spindles could be considered as an economic one. *We share this view and suggest that this aspect may be borne in mind by the authorities concerned as and when they consider the grant of expansion licences in future.*

4.11. Our main handicap during the course of this inquiry has been the absence of reliable and complete statistical data relating to the manufacturing activity of the industry and neither the two associations representing the industry, nor the Textile Commissioner could enlighten us fully. The M.M.F.S.A. in its memorandum stated that "the growth of the industry in the absence of any licensing was rather haphazard and has not been based on any proper planning.............. Because of this unplanned growth it has been rather difficult for authorities or others even to identify all units spinning viscose staple fibre yarn in the industry, let alone organising the industry. Neither the Planning Commission nor the office of the Textile Commissioner itself appears to have a clear-cut perspective of the precise trend in growth and dimension of this industry". All these interests were taking shelter under the plea that there is considerable flexibility in production on account of interchangeability in spindle usage between cotton and fibre spinning in the industry.

4.12. We understand that all the spinning units are required to submit to the Textile Commissioner C. S. T. returns which contain all the necessary data regularly and if that is the case there should really have been no insurmountable difficulty in assessing periodically the actual and total installed capacity of the industry and in compiling such data.

4.13. In an industry where we are required to go into the cost structure and recommend fair prices, the essential factual evidence that we should have is the capacity not only installed but also potential, so that for the purpose of projecting the future estimates of costs, the production capacity of different units and the industry as a whole are fairly assessed. Such information is also quite necessary for assessing how best the indigenous industry can meet the domestic demand, when particularly as in the present case, there are competing claims for the scarce raw material viz., viscose staple fibre between exclusive spinners, cotton textile units which have switched over to spinning viscose staple fibre and those using blended yarn. Later in paragraph 6.8 we have discussed the question of introducing distribution control on fibre; unless accurate data of spindleage installed and used by the units in the industry are known, no satisfactory system of distribution control can be contemplated. In the absence of such data the manufacturers of fibre are resorting to different methods in distributing fibre to their customers including possible sale to non-users which can result in resale at high prices. *We therefore suggest that the Textile Commissioner, should devise ways and means of keeping proper data on spindleage installed as well as worked in respect of all units in this industry.*

5. Demand.

5.1. We have received several estimates of demand for staple fibre spun yarn, both current and future. There was however a general feeling that an assessment of the demand for this yarn was rather difficult to make for various reasons.

5.2. The Textile Commissioner has informed us that, by and large, the demand would be on the lines of the deliveries of yarn in the past. According to the M.M.F.S.A. the demand for viscose staple fibre spun yarn is subject to changes in the supply and demand situation in respect of yarn made from other natural and man-made fibres for which viscose staple fibre yarn is a substitute, apart from other imponderables like fashion changes. Further, the likely competition in the near future from other products like polynosic and synthetic fibres has to be taken into account. The Association has also invited our attention to the changing trends in the industry like the manufacture of yarn in blends with other man-made and natural fibres, use of polynosic fibre which is a high wet modulus staple fibre and manufacture of dyed and fancy yarns for special purpose fabrics. It has nevertheless estimated the demand for 1972 at 80,000 tonnes and for the next three years at 82,000, 90,000 and 100,000 tonnes respectively. The I. C. M. F. has placed its estimates at 78,000 tonnes for 1972, 85,000 tonnes for 1973 and 94,000 tonnes for 1974 assuming an annual growth rate of 10 to 15 per cent and also export possibilities to Bangladesh. These estimates are however subject to viscose staple fibre being made available in required quantities. Two of the producers who have furnished their estimates expect an annual growth rate of 8 to 10 per cent and 10 to 12 per cent, while two others have estimated only for 1972 at 70,000 tonnes. From the consumers' side, we have received an estimate of 70,000 tonnes for the current year from Surat Vankar Sahakari Sangh and a similar estimate from Surat District Industrial Co-operative Association. The various estimates received by us are summarised in the following Table.

TABLE 4

Summary of demand estimates received from different interests

(Thousand tonnes).

Source	Rate of increase (per cent)	Estimates of demand			
		1972	1973	1974	1975
1	2	3	4	5	6
(i) Textile Commissioner*	13	77	87	98	111
(ii) Indian Cotton mills Federation	10 to 15	78	85	94	..

TABLE 4—*Contd.*

1	2	3	4	5	6
(iii) Man-made Fibre Spinners' Association . .	8 to 10	80	82	90	100
(iv) Bharat Commerce and Industries .	8 to 10	80	88	..	..
(v) Birla Jute Mfg. Co. and India Linoleum . .	..	70	..	..	..
(vi) General Industrial Society Ltd. .	10 to 12	76	84	..	..
(vii) Surat Vankar	..	70	..	..	..
Sahakari Sangh and Surat District Industrial Co-operative Association . .	..	70	..	..	..

*Figures worked out taking into account the view of the Textile Commissioner that the future demand would be on the lines of past deliveries of yarn.

These figures were discussed at the public inquiry. The interests concerned were generally optimistic about the future of the industry although the consumers were of the opinion that unless prices are reduced and supplies of yarn regulated, demand may not increase in line with past trends. It was pointed out that with the rise in population and in the income of the people, the demand for cheap fabrics was bound to increase in the coming years. Besides, with the textile industry witnessing periods of shortage of cotton off and on, and with the synthetic fibres being comparatively expensive, viscose staple fibre spun yarn was going to play a very important role at least in the next few years. *The consensus of opinion at the public inquiry, therefore, was that the rate of increase of consumption in the future is likely to be between* 10 *and* 15 *per cent every year.*

5.3. As viscose staple fibre spun yarn has a wide range of applications and can be used in almost all types of fabrics either singly or in blends, one of the methods of estimating demand for this yarn may be to relate it to the demand for its raw material, namely, viscose staple fibre. However, this approach is also not free from certain difficulties. Viscose staple fibre is spun not only in its pure form but also often blended with other natural and synthetic fibres before spinning. Secondly, staple fibre yarn is manufactured by purely spinning units as well as by cotton mills.

5.4. As may be seen from paragraph 6.3 the total consumption of indigenous and imported viscose staple fibre over the last decade has increased from 22,900 tonnes in 1961 to 64,500 tonnes in 1970 indicating an annual average increase of 12.6 per cent. As against this, the yarn deliveries, which the Textile Commissioner considers as an index of demand, show an annual growth rate of 13.4 per cent during the same period. The relevant data is given below:—

1961	19,920	
1962	26,460	(32.8)
1963	28,968	(9.5)
1964	31,872	(10.0)
1965	37,716	(18.3)
1966	44,280	(17.4)
1967	49,020	(10.7)
1968	57,408	(17.1)
1969	55,932	(—2.6)
1970	60,240	(17.7)

during the course of discussions at the public inquiry *there was a broad consensus of views that an average annual increase of* 13 *per cent during the next few years would not be wide off the mark.*

5.5. It has not been possible for us to ascertain the extent to which viscose staple fibre yarn is used in blend with other fibres like cotton, linen, nylon etc., nor was any light thrown on the point during the public inquiry. The representative of the Silk & Rayon Textile Export Promotion Council indicated that if the staple fibre yarn is made available at international prices, India could export 50 million metres of man-made fibre fabrics annually, equivalent to about 5,000 tonnes of yarn per annum. Taking the above factors into consideration, we feel that the rate of increase in future demand for viscose staple fibre spun yarn, including that required for blending and exports, would be broadly between 10 and 15 per cent per annum and more probably between 13 and 15 per cent. *We therefore estimate, that the current year's demand would be around* 80,000 *tonnes, and those for the years* 1973, 1974 *and* 1975 *within the ranges of* 90,000 *to* 92,000 *tonnes,* 102,000 *to* 106,000 *tonnes and* 115,000 *to* 122,000 *tonnes respectively.*

5.6. We must next consider the question as to what extent the domestic supply of yarn would meet the demand estimated for the next three years. As mentioned in paragraph 6.7 the indigenous production of staple fibre is expected to be around the current level of about 61,000 tonnes per annum during the next two years and only thereafter additional capacity is expected to materialise. *Even if imports of certain quantities of fibre are allowed under entitlement, the total availability of fibre would be considerably less than what would be required for meeting our demand estimates.*

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6. Raw material—Viscose Staple Fibre.

6.1. Viscose staple fibre is the main raw material for the manufacture of this yarn. Its production commenced in 1954, when M/s. Gwalior Rayon Silk Manufacturing (Weaving) Co. Ltd. commenced operations at Nagda (M.P.) with an initial capacity of 5,100 tonnes per annum. The capacity was progressively increased to 55,000 tonnes. In 1961, M/s. South India Viscose Ltd., also started producing viscose staple fibre at Mettupalayam (Tamil Nadu) with a capacity of ten tonnes per day (i.e. 3,650 tonnes a year). In 1968, Gwalior Rayon set up a plant at Mavoor in Kerala also for the production of viscose staple fibre with an annual capacity of 9,000 tonnes. The total indigenous production of viscose staple fibre since 1968 has been as follows:—

Year	Tonnes
1968	61,963
1969	58,409
1970	63,145
1971	60,713

The details of capacity, production and sales as reported by the two producers of the raw material are given in the following Table.

TABLE 5

Capacity, production and sales of viscose staple fibre

(In tonnes)

	Gwalior Rayon			South India Viscose	Total
			1	2	3
(i) ***Present licensed capacity*** . .			22,000	4,000	26,000
(ii) ***Present installed capacity*** .			64,000*	4,000	68,000
	At Nagda	At Mavoor	Total		
(iii) ***Production during***					
1968 .	54,913	4,075	58,988	2,975	61,963
1969 .	46,801	8,422	55,223	3,186	58,409
1970 .	46,854	12,742	59,596	3,549	63,145
1971 .	47,163	10,650	57,813	2,900	60,713

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TABLE 5—*Contd.*

	1			2	3
(iv) *Sales during*					
1968 .	55,510	4,043	59,553	2,576	62,129
1969 .	46,662	8,395	55,057	3,138	58,195
1970 .	47,260	12,633	59,893	3,617	63,510
1971 .	47,004	10,697	57,701	2,865	60,566

*On 1.2 Denier basis. On 1·5 Denier basis the installed capacity is claimed to be 80,000 tonnes.

6.2. Gwalior Rayon with its two plants, accounts for about 95 per cent of the installed capacity, production and sales of the industry. The balance is the share of SIV.

6.3. The following table indicates the domestic consumption of staple fibre for spinning viscose staple fibre yarn during the last decade.

TABLE 6

Consumption of staple fibre for spinning viscose staple fibre yarn

(In tonnes)

Year	Indian	Foreign	Total
1961	22,812	108	22,920
1962	28,008	240	28,248
1963	28,908	1,452	30,360
1964	28,320	5,364	33,684
1965	40,608	2,052	42,660
1966	46,440	1,344	47,784
1967	51,924	816	52,740
1968	61,560	168	61,728
1969	56,736	..	56,736
1970	63,480	984	64,464
1971 (Jan-Oct)	51,240	7,200	58,440

Source : Indian Textile Bulletin

Note.—Figures upto 1968 are inclusive of small quantities of non-viscose staple fibre.

It would be seen that almost every year a certain quantity of viscose staple fibre used to be imported and we were informed that this was done by Government as a short term remedy to assist the cotton textile mills when the cotton was in short supply. Such imports have been done recently through the S.T.C. and the Cotton Corporation of India while the purchases were finalised in consultation with the I.C.M.F.

6.4. Divergent views were expressed regarding availability of viscose staple fibre. According to the Textile Commissioner "by and large, the staple fibre spinning units do not find any difficulty in getting the raw material from the indigenous manufacturers except the failure to get normal supplies of staple fibre whenever there are break-downs or strikes in the major staple fibre producing factory". A large number of spinning mills have however reported that the supply position of the material was inadequate even in normal times. The I.C.M.F. has stated that in spite of spectacular increase in the indigenous production of viscose staple fibre between 1954 and 1970 the supply was short of demand and the gap would widen further by 1973-74 unless additional capacities were licensed. According to it the stock presently available is equivalent to hardly 15 days' requirement and at times goes down to an alarmingly low level, equivalent of seven to ten days' consumption. We have been informed by the Textile Commissioner that the scarcity of fibre is due largely to more and more cotton mills switching over to spinning of staple fibre on account of shortage of cotton and rise in its prices. With many mills asking for the fibre naturally the demand for it goes up.

6.5. With a view to meeting the increasing demand for fibre, various long term measures are said to be under consideration of Government. Letters of intent have been given to SIV to increase its capacity by 14,000 tonnes and to M/s. Modipon Ltd., for 27,000 tonnes. One half of the capacity in each case is for viscose staple fibre and the other half for polynosic fibre. Some more applications are also reported to be under consideration of Government. It appears, the Development Council for Man-made fibres has estimated that by the end of 1973-74 the demand for viscose staple fibre would be 1,10,000 tonnes. It has been reported to us that the policy of Government is to consider only integrated proposals for the manufacture of wood pulp and fibre. However, due to paucity of the right type of wood for the pulp, manufacture of wood pulp may not expand to the required extent in the immediate future. The I.C.M.F. has therefore suggested the licensing of additional capacities for viscose staple fibre and polynosic fibre, preferably to new units, if necessary by allowing imports of wood pulp.

6.6. At the public inquiry the representative of Gwalior Rayon stated that if it was granted necessary industrial licence it would set up a plant at Harihar in Mysore. It appears it had made an application in 1968 for the manufacture of 100 tonnes of polynosic/normal viscose staple fibre. The representative of SIV indicated that machinery to expand the capacity to 7,500 tonnes has already been bought. With this expansion, the total production of SIV would be 10,700 tonnes per annum by 1973. In addition, production of 20 tonnes per day (7,200 tonnes a year) of polynosic fibre is also anticipated.

6.7. In paragraph 7.6 of our Report on the Viscose and Acetate Filament Yarn and Staple Fibre (1970) we had estimated the demand for staple fibre for 1973 at between 90,000 and 1,00,000 tonnes. This is in conformity with the estimate of demand for yarn envisaged by us in paragraph 5.5. The present indigenous production however is quite inadequate to meet the demand. We have been informed by the DGTD that production of viscose staple fibre at the current rate of 61,000 tonnes per annum would continue for the next two years, after which it may go up to the extent upto which SIV's approved additional capacity materialises. Modipon's project is expected to go in steam only during the Fifth Plan period. For the purpose of this enquiry we have gone by the D.G.T.D.'s assessment of indigenous production being at 61,000 tonnes for the next two years.

6.8. **Fibre Distribution :**

6.8.1. There is no control on either the distribution or the prices of viscose staple fibre except for an informal understanding between the fibre producers and the Textile Commissioner according to which the exclusive fibre spinning units get first priority in the allotment of the staple fibre on the basis of their past consumption and only after their requirements are met, the balance is distributed to other consumers. Due to the shortage of cotton during the past few years consequent upon a number of cotton textile units diverting their activities to viscose staple fibre spinning, demand for the fibre has been increasing in recent years.

6.8.2. The pattern of distribution of viscose staple fibre was discussed at length during the public inquiry. The main point that emerged related to the allotment of fibre to exclusively fibre spinning mills vis-a-vis the other cotton textile units. One section of the I.C.M.F. and a few others contended that in 1964 when there was a glut of staple fibre, cotton mills were allowed to spin staple fibre but under the present conditions of an excess supply of cotton and shortage of viscose staple fibre, there is no justification to allot staple fibre to the cotton mills. They further pleaded that viscose staple fibre should be given only to the exclusive viscose staple fibre spinning units as otherwise a lot of capacity of these mills will remain unutilised, thus telling upon their costs of production. On the other hand the other section of the I.C.M.F. and the M.M.F.S.A. held that there should be no differentiation between purely staple fibre spinning units and the other mills in the matter of allotment inasmuch as the former could also work on cotton. Only a formal permission was required which was invariably given. Going into the genesis of the case, they explained how in 1964 when the country was faced with a surplus of staple fibre, it was "thrust" on the cotton mills. At that time the fibre industry was stated to be carrying stocks for more than six months and in order to utilise this surplus material a general order was issued by the Textile Commissioner allowing textile mills to use viscose staple fibre. It was further argued that heavy expenditure had been incurred in technical adaptations from cotton to viscose staple fibre spinning and a reversal of the policy now would cause hardship to the textile mills.

6.8.3. There was a third view point according to which the purely staple fibre spinning mills and such of the cotton mills which had switched over to fibre spinning upto 1966 when no scarcity conditions for fibre existed, should be treated on par.

6.8.4. The representative of Gwalior Rayon stated that whether fibre should be given exclusively to the staple fibre spinning units or the cotton mills should also be allowed to use it and whether it should be distributed among particular sections of the textile industry was all a matter of opinion. According to him basing allotment on licensed capacity was not the proper way and that the real criterion should be, and in fact followed up till now was the pattern of past consumption of each unit. This was also the view of the representative of M/s. Bharat Commerce and Industries Limited.

6.8.5. The Textile Commissioner has informed us that the distinction between "pure" and "part" spinners of staple fibre was gradually disappearing and as already mentioned in paragraph 4.9 some of the mills which had adapted to spinning of viscose staple fibre have applied for grant of a formal industrial licence under Section 23(5) of the Industries (Development and Regulation) Act, 1951.

6.8.6. During the course of the inquiry a number of short-comings in the existing distribution system of the fibre were also brought to our notice. We were told that in allotting fibre preferential treatment was given to 'sister concerns' by the principal producer. Another complaint was that in the absence of any control on either distribution or prices, in many instances fibre allotted to mills were resold to others at high rates. It was also pointed out that according to an agreement between S.I.V. and its promoters, the entire production of fibre was allotted to the latter irrespective of whether they were consumers or not. It was also complained that Gwalior Rayon was asking for additional charges such as sulphur charge, extra wood pulp charge, etc. on one plea or the other.

6.8.7. It was clarified by Gwalior Rayon that while supply of fibre to units generally was based on past off-take, their off-take during the years 1963 and 1964, when there was a glut of staple fibre in the market was also kept in view. During this critical period some spinning mills had almost stopped lifting or had partially reduced their off-take of fibre resulting in Gwalior Rayon carrying a huge stock of unsold fibre necessitating curtailment of production. During this difficult period, some of the mills had continued to give their support by purchasing staple fibre from Gwalior Rayon and others were persuaded by this supplier to use staple fibre in place of cotton on the assurance of continuous supply and some incentives. Gwalior Rayon also supplied to us a list of mills to which it sold fibre during the last three years. On the question of certain allottees of the fibre indulging in its resale, we were informed that as per the company's sales agreements with the spinners, such resale was forbidden and no complaints on this had ever been received by it. The company also refuted the charge of preferential treatment to any particular units or groups. Regarding wood pulp charge Gwalior Rayon has explained that it was purchasing wood pulp from S.I.V. at a price higher than its own cost of production and when such pulp was converted into staple fibre, the extra cost element had necessarily to be passed on to the buyer. Further, it was stated that although sulphur prices have fallen, the charge has been continued to cover up certain other elements of costs which have gone up.

6.8.8. We were informed that SIMA had submitted to the Textile Commissioner some working data on the fibre needs of the mills based on spindleage and it had stated that this method if adopted would help evolution of a system of distribution, although it would not meet the entire need. Recently, the M.M.F.S.A. also seems to have submitted a scheme to the Textile Commissioner for distribution of staple fibre in consultation with its member mills. We understand that the Textile Commissioner is also actively considering the question of introducing a scheme of distribution of staple fibre.

6.8.9. Both written and oral evidence shows a strong consumer resentment about the present pattern of distribution of staple fibre. As stated earlier the capacity for viscose staple fibre is largely concentrated in the hands of a single producer. As against a licensed capacity of 22,000 tonnes, this unit has built up a huge capacity of nearly 64,000 tonnes. It is thus in a position to influence market trends both in respect of supplies as well as of prices not only of fibre but also of yarn. We were informed at the time of our inquiry into viscose staple fibre that building up of an excess capacity by this producer was under a specific inquiry by a separate body. We understand that the matter is still under consideration.

6.8.10. The distribution and prices of viscose staple fibre were subject to control between 1958 and 1964 under the Staple Fibre Control Order, 1958. This Order had laid down some very healthy conditions regarding mode of distribution, prices, resale, maintenance of stocks, etc., of staple fibre. It also made it obligatory on the part of producers of staple fibre to sell fibre to such of those who held a permit from the Textile Commissioner at a price which was also specified in a schedule to the Order. Another stipulation was that staple fibre purchased shall not be used for any purpose other than spinning yarn and transfers were permitted only to those who had permits and that too with the Textile Commissioner's permission. The producers as well as those acquiring or holding stocks of staple fibre were required to maintain a proper account of stocks, which was liable for inspection. Prices were also fixed under that Order and the Textile Commissioner was authorised to fix maximum amount of incidental charges payable. The Order was cancelled in 1964. Whereas between 1964 and 1966 there was an abundant supply of fibre, since 1966-67 the situation has changed to one of shortage. As mentioned in paragraph 6.7 the gap between the demand and supply would continue to persist at least for the next couple of years. The only remedy therefore appears to be the reimposition of control on both distribution and prices of fibre. *We commend the reintroduction of destribution Control somewhat on the lines of* 1958 *Control Order with suitable modifications in the light of the present conditions as early as possible. Some directions in which modifications may be necessary are given below.*

6.8.11. In paragraph 4.13 of this Report we have recommended that ways and means of keeping proper data on spindleage installed as well as worked in respect of all units in the Industry be devised so that units do not get fibre in excess of their requirements which result in re-sale in the market or transfer to sister concerns.

6.8.12. In the context of the circumstances under which this Industry has developed it is necessary to consider whether the different categories of producers of yarn should be treated on par or whether there is a case for giving weightage to some categories over the others. The views expressed in this regard by the interests concerned have already been given in paragraphs 6.8.2. & 6.8.3.

6.8.13. We have considered the various views. The cotton textile mills entered into the staple fibre spinning activity at a time when fibre was not only in abundant supply, but, in fact, was reportedly "thrust" on some of them. Now that staple fibre is in short supply, it does not appear fair to leave these mills out to satisfy the demand of the exclusive spinners. *We are therefore of the view that the exclusively spinning units originally licensed and such of those cotton textile mills which between* 1964 *and* 1966-67 *switched over at considerable expense to spinning of staple fibre yarn should be considered on equal footing. Other mills which took to spinning of staple fibres yarn after* 1966-67 *when staple fibre had started becoming scarce, must have been promoted by other considerations and it would not be proper to treat these units on par with the above categories. We recommend that while introducing distribution control on fibre, the exclusively licensed staple fibre spinning units and cotton textile units which adapted their spindleage to spinning staple fibre yarn upto* 1966-67 *when the supply of fibre was plentiful should be given priority over all other categories. We however, leave it to the concerned authorities to decide as a matter of Government policy and tak-*

ing into account the availability of fibre whether their needs of fibre should be met fully or partially and what specific quantity per spindle per month should be allotted to them. Surplus after meeting the demand of the above categories may be distributed to other consumers including cotton mills who got into this Industry after 1966-67, *blenders, composite mills and so on.*

6.8.14. It is possible that some of the exclusive spinners and the cotton mills which shifted to spinning staple fibre yarn might have installed additional spindleage even after 1966-67 when scarcity conditions of fibre had started. There is no justification for this new spindleage to be shown any priority of treatment and *we recommend that while alloting fibre to these units, care should be taken to exclude the spindles that were installed by these units after* 1966-67 *from the priority category.*

6.8.15. We have mentioned the year 1966-67 as only an indicator as it is round about that time that shortages of staple fibre had started developing. The exact dividing date line for showing priority to the then existing units and their spindleage will have to be decided by the Distribution Control authorities concerned.

6.8.16. *We also recommend that no new spindles for expansion be permitted to be installed for staple fibre yarn so long as conditions of scarcity of fibre continue.*

6.9. **Prices:**

6.9.1. During the course of our earlier inquiry into the viscose and acetate filament yarn and staple fibre, we had studied the cost of production of the three viscose staple fibre manufacturers and had recommended the following fair selling prices for 1.5 denier fibre.

			Rs. per Kg.
Gwalior Rayon	Nagda unit	(Ex-Nagda)	4.15
Gwalior Rayon	Mavoor unit	(Ex-Coimbatore)	4.35
S.I.V.	..	Do.	

The above prices were to be valid upto 31-3-1972.

6.9.2. The ex-factory selling prices of staple fibre of the two manufacturers since 1968 have been as follows:—

TABLE 7

Ex-factory selling Prices from time to time (including excise duty) of Viscose staple fibre of 1.5 denier

Rs./Kg.

	Gwalior Rayon (Nagda)	S.I.V. (Coimbatore)
1968		
January . . .	5.06*	4.86
July . . .	5.06*	5.06
1969		
January . . .	5.26*	5.06
March . . .	5.46*	5.46
October . .	5.46	5.66
1970		
March . . .	5.56	5.76
1971		
July . . .	5.77**	5.91
1972		
March . . .	5.77**	6.26

*Subject to a rebate of 20 paise per kg.

**Also of Mavoor.

Between January 1968 and March 1972, the prices of Gwalior Rayon rose by 18.7 per cent and those of S.I.V. by 28.8 per cent.

7. Standards, quality and Research.

7.1. **Standards and quality:**

7.1.1. The I.S.I. has formulated only one standard on viscose staple fibre spun yarn, namely, IS: 3566-1966-Specification for Viscose Rayon Cut Staple (Spun) yarn. It has informed us that even though no licence has been issued to any of the manufacturers for using its Certification Mark, the industry has received the I.S.I. standard favourably and that the quality of the indigenous viscose staple fibre spun yarn mostly conforms to the standard and could be considered fairly satisfactory in so far as it meets the strength standards specified therein.

7.1.2. A number of producers and consumer associations who replied to our questionnaire however, expressed unawareness of the existence of the standard specification. The I.C.M.F. and M.M.F.S.A. stated that no complaints on the quality of spun yarn had ever been received by them. However, consumers of the yarn have reported a few defects such as existence of nobs and foreign particles, yarn not absorbing dyes in full and consequently their shades fading, unevenness of yarn and colour, poor strength, count variations, doubling and reeling defects including short length, damaged cones and the like. We were informed by the producers that complaints received by them were immediately looked into and remedial measures taken wherever necessary. For this purpose some mills were reported to be conducting laboratory tests and adopting quality control checks at various stages of manufacture.

7.1.3. At the public inquiry we were informed that at the instance of SIMA, SITRA has been undertaking monthly survey of mills for examining quality of their yarn and reporting on the deterioration, if any, of their quality and advising the units to improve their quality. It was also mentioned that quality of the yarn supplied by the South Indian mills was better than that of the North Indian mills. The representatives of the Weavers' Associations stated that in the context of prevailing sellers' market for staple fibre yarn the consumers have no choice but to accept whatever was supplied and that the manufacturers were indifferent to the complaints on quality reported to them. We had requested one of the weavers' associations of Ludhiana to furnish to us copies of its correspondence with the manufacturers on the question of quality but these have not been furnished to us. *We are therefore unable to express a firm opinion in regard to the quality of indigenous viscose staple fibre spun yarn.* We must however say that manufacturers may have a tendency to overlook quality aspect under conditions of sellers' market and in such circumstances consumers being more concerned with supplies, also give only a secondary consideration to quality. In the case of this product, the consumers are the weavers who buy them not for self consumption but for further processing and selling as fabrics and hence the ultimate consumers are the individual buyers of fabrics who as in the case of many consumer items are not organised and have no effective media to ventilate their views on quality. Thus, ultimately the question of consumer interests in spun yarn is the question of safeguarding the interests of the consumers of fabrics who are the common people. With a view to eliciting their views and assessing how best their interests are safeguarded, we had addressed consumer organisations and other bodies like the Consumer Guidance Society, Fair Trade Practices Association and the Commissioner General of Civil Supplies, in the matter but none of them could give us any useful information. Under the present set-up the weavers do not have much of a bargaining power whether in respect of quality or prices. As earlier mentioned a scheme of voluntary tests in the quality by SITRA for the mills of SIMA seems to have yielded good results as the weavers themselves conceded that their yarns were comparatively better. *We therefore recommend that all the units in the industry should adopt ISI Certification Mark so that the consumer is assured of the standard quality of yarn.*

7.2. **Short Weight.**—Consumers in certain North Indian markets complained to us about occasional short weight of yarn bundles received by them from the supplying mills. In this connection it was alleged that bundles of yarn marketed as containing 5 kg. each were, on arrival at the destination, found sometimes to weigh only about 4.8 kg. i.e. about 10 per cent less. In regard to supplies from South Indian mills, the less in weight was stated to be comparatively lower. This phenomenon of short weight has been explained by the producers as due to some moisture loss which would be inevitable under varying climatic conditions. We understand that some time back the office of the Textile Commissioner had also gone into this question on receipt of certain complaints and had come to the conclusion that staple fibre being a very hygroscopic material, it was quite probable that during summer if it is kept for some time it loses in weight while in monsoon it gains 100 to 200 gms. per bundle. *It is desirable that the I.S.I. standardises and incorporates in its specifications the moisture content of spun yarn.*

7.3. **Research and Development.**—Most of the mills do not seem to have any sizeable research and development sections of their own. Some of them have reported that they are members and dependent upon the guidance of research associations like SASMIRA, ATIRA, BTRA and SITRA. From the replies received from the above associations, however, we found that a majority of these units (both purely spinning as well as textiles) are not members of any of the associations although some of the units seem to avail of their assistance whenever needed. We have received an account of the activities of each of the above associations, with particular reference to viscose staple fibre spun yarn. *We consider that it would go a long way in encouraging and promoting research if these research institutes, apart from undertaking sponsored research themselves, permit technical personnel of the spinning mills to utilise the research facilities available with them. We suggest that the spinners' associations should take the lead in this matter.*

8. Foreign Trade.

8.1. We find from the Monthly Statistics of the Foreign Trade of India that there has been practically no imports of viscose staple fibre spun yarn during the last four years except for a small quantity of 676 kgs. valued at Rs. 9,900 in 1968-69 from Japan. There have however been some small exports of this yarn during these years as given in Table 8. While the exports have been mainly to Afghanistan, Ceylon and Muscat, occasionally exports to Kenya and Nepal have also taken place.

8.2. There is no significant Governmental assistance to promote exports of staple fibre yarn except that imports of staple fibre are allowed as replenishment against exports of staple fibre fabrics. We are informed by the Textile Commissioner that at present a supply of 1.25 kg. of staple fibre against 1.00 kg. of fabrics exported through S.T.C. is

TABLE 8

Details of exports of Viscose Staple Fibre Spun Yarn

Quantity in Tonnes
Value in '000 Rupees

Country	1967—68		1968—69		1969—70		1970—71	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Afghanistan	..	..	1·3	18·2	22·8	231·6	27·7	333·1
Kenya	0·2	1·8	..	..	0·2	2·1	..	..
Tanzania	..	..	..	..	..	..	..	..
Canada	..	..	0·3	5·4	..	..	..	..
Ceylon	..	..	8·9	101·6	..	..	..	..
Muscat	..	..	0·6	4·5	2·5	21·7	3·3	29·4
Nepal	..	..	..	0·3	..	..	..	..
TOTAL	0·2	1·8	11·1	130·0	25·5	255·4	31·0	362·5

permitted. Although there is a good demand for the yarn in the nearby Asian countries mentioned above and East African countries, we have been informed that at present there cannot be any appreciable export as the indigenous production falls short of the domestic demand. Moreover, the domestic prices of the yarn are higher than the international prices and hence exports would not be possible without assistance. The Silk and Rayon Exports Promotion Council has favoured exports of fabrics instead of yarn.

8.3. The representative of the Silk and Rayon Export Promotion Council made a strong plea at the public inquiry for export assistance. According to him foreign countries where other fibres such as polyesters and synthetics have developed, production of viscose staple fibre was stagnant if not decreasing and per force they have to meet their domestic needs by imports. Countries like West Germany and Holland need the Indian fabrics for further conversion for re-export. U.S. requires the fabrics for making bags for sugar and other things. In Canada this product was used for lamination. Australia and Newzealand too need the imported fabrics. In the context of India having a base for staple fibre industry and having sufficient spinning capacity it would be in the interest of the country to manufacture this yarn and the fabric from an export angle. The problem however, is that due to the higher cost of production in India our fabrics are priced out in the International markets. The Export Promotion Council's representative therefore pleaded that for export purposes staple fibre yarn may be given at international prices so as to enable the Indian fabrics to compete successfully in the world markets. *We commend this for consideration of Government.*

9. Distribution System and Selling Prices.

9.1. **Distribution System :**

9.1.1. The principal consumers of viscose staple fibre spun yarn are weavers in the decentralised sector concentrated in a few areas of Punjab, Maharashtra, Gujarat, U.P., and Tamil Nadu. There was no uniform pattern of distribution of yarn till recently. There were complaints in the latter half of 1969 from the weavers, particularly hand looms and power looms sections situated in the various parts of North India that spinners had raised their prices of yarn beyond reasonable limits. In a meeting with Government held in December 1969 the representatives of staple fibre spinning mills in North India agreed to ensure that the retail prices in various centres did not exceed the level obtaining in July 1969 plus an increase of 20 paise per kg. upto February, 1970. Subsequently, another increase of 10 paise per kg. from March 1970 was justified on the ground of increase in the prices of raw materials. It was also agreed by the representatives of the industry that:—

(i) they would maintain supplies of their yarn in the various markets at the levels obtaining in July 1969;

(ii) they would not divert any part thereof to other markets even if the prices in those markets were higher; and

(iii) the mills selling yarn in the retail markets would take steps to ensure that the prices charged did not exceed the agreed ceiling prices.

9.1.2. The mills in the South supply their yarn mostly to the markets in that area and the problem of the rise in prices had not been felt there. Hence these mills had not been in the past brought into the arrangement of price discipline. The representatives of the spinning mills who were members of the SIMA considered however in their meeting on 29th January, 1970 the trend of increase in the prices of staple fibre yarn and the steps necessary to maintain the prices at reasonable levels in the light of the suggestions made by Government at the meeting held in December, 1969. The mills in the South also introduced a voluntary price-cum-distribution scheme with effect from 1st February, 1970. From 1st March, 1971 SIMA adopted uniform ceiling prices for all its member units in the South. As a result of the producers of staple fibre putting up their price from July, 1971, SIMA intimated the Textile Commissioner that the increase in the staple fibre price would result in the yarn price also going up by 16 paise per kg. from 1st July, 1971.

However, with effect from 10th September, 1971 in the context of difficult raw material situation arising out of the stoppage of production of staple fibre by Gwalior Rayons at its factory in Mavoor, the member mills of SIMA decided to keep in abeyance the voluntary ceiling prices of staple fibre yarn. We have now been informed that due to the cut in staple fibre supplies by the producers leading to the purchase of considerable quantities in the open market, SIMA has revised its prices upwards since 1-2-1972. The uniform ceiling prices announced by it effective from 1-2-1972 along with the previous prices are given below:—

Ceiling prices (excluding excise duty)

(In Rs. per Kg.)

		Effective from 1-7-1971	Effective from 1-2-1972
20s	Hanks	9.33	10.21
	Cones	9.43	10.31
30/31s	Hanks	9.53	10.41
	Cones	9.83	10.71
40s	Hanks	10.13	11.01
	Cones	10.53	11.41
2/40s	Hanks	10.83	11.71
	Cones	11.13	12.01

9.1.3. SIMA has informed us that at a meeting held on 18-3-1972 the following steps were adopted to ensure proper distribution of staple fibre yarn to consumers at the above prices.

(i) The mills should advise all their dealers to ensure that they should distribute the yarn to their various customers on the basis of the average purchases made by them during the three month period November, December, 1971 and January, 1972.

(ii) The mills should obtain from their dealers a list of customers who have been purchasing yarn from them during the above three months period and the average monthly sales to each of them and advise the customers directly of the allotments that would be made to them through their dealers each month.

(iii) If any consumer does not get his allotment of yarn from the mill dealer, he may report to the concerned mill as well as to SIMA with necessary records in proof of his purchase of yarn from the dealer in the three month period in order to enable the mills to do the needful.

9.1.4. Though the mills in North India agreed to ensure that the retail prices in various centres did not exceed the level which obtained in July 1969 plus an increase of 30 paise per kg. from March 1970, the data submitted by them indicated that for certain counts the prices actually charged were higher than the agreed ceiling prices; the retail prices of staple fibre yarn in Tanda/Jalalpur, Barabanki, Kanpur, Ludhiana, Amritsar and Surat markets during certain months of 1971 (for which data were available) were found to be much higher than the levels obtaining in July, 1969 plus 30 paise per kg. In view of the increase in prices of staple fibre yarn in the principal consuming areas, a scheme for distribution of yarn at reasonable prices in these areas through nominees appointed by District Magistrate, was formulated.

9.1.5. We have been informed by the M. M. F. S. A. that prior to the arrangements for distribution of yarn by it through weavers' representatives to the actual consumers, the individual mills had their own arrangement for the selling and distribution of their entire production. The selling and distribution arrangements were a mixed one and differed from mill to mill. In some cases the sales were effected through dealers, retail depots and wholesalers, while in some others, sales were made through agents and brokers to the actual users. Details in this regard as intimated to us by some mills are given in Appendix VII.

9.1.6. In January 1972 a voluntary scheme of price control on viscose staple fibre yarn was initiated by the M.M.F.S.A. Under this scheme, ceiling prices (exclusive of excise duty) fixed for all important counts of staple fibre yarn were as follows:—

(Rs. per Kg.)

Counts	Hanks	Cones
20s	9.33	9.43
30s/31s	9.53	9.83
40s	10.37	10.77
2/40s	11.53	11.93

The members of the Association were to ensure that their prices did not exceed the ceilings prescribed. Since the Association had no control over dealers and their retail prices, ex-mill prices were suggested. But in order to ensure that the benefit should percolate to the consumers, members had been advised to keep a check on the retail price, which should be worked out after adding to the ex-mill price the elements of excise duty, sales tax, transport and other actual incidental expenses plus one per cent dealers' commission. Only 50 per cent of the production of the member mills came under the scheme. To make it effective, the Association decided to distribute the 50 per cent production covered by the scheme to actual users through the latter's representatives. Accordingly, the Association made arrangements for the supply of yarn under which allotment letters on the spinning mills were issued by the Association in favour of the weavers' representatives/nominees. The weavers' representatives either issue the allocation letters in favour of actual users for taking delivery of yarn from the mills or take the delivery of yarn themselves and then distribute the same amongst the actual users. We understand that so far Ludhiana, Amritsar, U.P., Surat and Maharashtra have been covered under the arrangement.

9.1.7. The system of distribution and the changes made in it from time to time came in for much criticism by the weavers at the public inquiry. We were informed that in the meeting of December 1969 held at the instance of Government, weavers' interests were not represented. Furthermore, the prices of July 1969 which were adopted were not the proper basis as in that month there were rumours of an impending strike in Gwalior Rayon's factory at Mavoor which raised the prices. According to them the real basis should have been the prices of April 1969 which were quite reasonable. Tracing the history of the price trends we have been informed that prices of yarns in general and of count 20s in particular were rather steady up to March 1969. It was Rs. 7.14 per kg. exclusive of excise duty in April 1969 and rose to Rs. 8.24 by June 1970, to Rs. 8.31 in December 1970, Rs. 8.73 in June 1971 and Rs. 9.14 in July 1971. It was contended that again in October 1971 when as a result of strike in the Mavoor Plant, no yarn was available, M.M.F.S.A. announced unilaterally a price of Rs. 9.33 per kg. subject to the condition *inter alia* that this price would be implemented only when fibre was freely available. Further, taking advantage of the scarcity conditions of yarn due to prolonged strike in Gwalior Rayon, the Ludhiana Weavers' Associations, it was added, were practically forced to enter into a price agreement with the M.M.F.S.A. in February 1972. The weavers were informed that the prices announced by M.M.F.S.A. were not negotiable and when the former approached the administrative machinery in Government, they were told that pending the receipt of Tariff Commission's Report, Government could do very little in the matter. Thus with no option left the Weavers Associations of Ludhiana submitted themselves to an agreement according to which 50 per cent of the yarn produced by the mills in North India which were members of M.M.F.S.A. was to be distributed to them at a ceiling price and the remaining 50 per cent was to be sold in the open market. Even after this agreement supplies were irregular and the prices of yarn which was available in the open market and not subject to ceiling were very high as shown below: —

	Ceiling prices *Rs./Kg.*	*Open market prices* *Rs./Kg*
20s	9.33/9.43	10.60
30s	9.53/9.83	12.43 (Went upto Rs.15)
40s	10.37/10.77	13.00 (Went upto Rs.17)
2/40s	11.53/11.93	16.50

It was reported to us that an allotment of 2,650 bales of yarn committed for supply by the M.M.F.S.A. at September 1971 prices or the ceiling prices whichever was less was not delivered initially and only on the intervention of the Textile Commissioner this was finally released.

9.1.8. The weavers contended that the introduction of ceiling prices on 50 per cent of production was the result of second thoughts and that as per their earlier decision the spinners were to supply as in the case of SIMA members their entire production within the ceiling prices. It was alleged that this unilateral change in policy was not only to gain undue profits in the market by open sales but also to embarrass the weavers' associations by not regularly supplying to them their committed quota but making available yarn in plenty to their dealers and/or depots. It was further alleged that spinners do not supply the required counts of yarn mentioned in the agreements and required by the weaving industry and that they prefer to supply coarser counts according to their own choice and thus make huge profits by selling the finer counts in the open market. Even after the announcement of the distribution scheme, the Ludhiana market was stated to have been starved of yarn. As against its monthly needs of 6,000 bales, only, supply of 2,850 bales was agreed upon but even this was not delivered. We were informed of a situation prevailing in Ludhiana of a number of looms lying idle for want of yarn while stocks of fabrics had remained unsold because of their high prices resulting from the high cost of yarn. Another complaint made to us was that too often supplies were not made from nearby mills but were allotted from far off units with the result that the weavers had to bear the avoidable burden of transportation charges also.

9.1.9. The weavers therefore made the following suggestions:—

(i) A rational system should be evolved of distribution of fibre to spinning units, if necessary, by pooling the fibre production and of distribution of yarn to weavers' associations so that regularity of supplies is ensured. For this purpose the mills ning staple fibre and cotton and adjust their spin- must be asked to make final option between spindles accordingly.

(ii) There should be effective checks on spinners' production and distribution of yarn.

(iii) The fair price must be fixed on the basis of the reasonable fair price for fibre and reasonable conversion charges. Permitting a reasonable return, the selling prices of 20s must not exceed Rs. 7.20 to Rs. 7.70 per kg.

(iv) All counts must be covered in the price distribution mechanism.

(v) The ceiling prices fixed by the SIMA and M.M.F. S.A. must not be considered at all in fixing a fair price.

9.1.10. We now understand that since our public inquiry further negotiations have taken place between the M.M.F.S.A. and the weavers and that the entire production of yarn has now been brought under the voluntary distribution and pricing scheme on the lines initiated by SIMA. In other words the yarn produced all over India is now subject to a voluntary scheme of distribution by the spinners' associations at uniform prices as follows:—

Ex-mill ceiling prices

(Rs./kg.)

Count	Hanks	Cones
20s	10.21	10.31
30/31s	10.41	10.71
40s	11.01	11.41
2/40s	11.71	12.01

(The retail prices will include excise duty*, sales tax, 1 per cent dealers' commission and other incidental charges)

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* Viscose staple fibre spun yarn is liable to an excise duty under Item No. 18 of the First Schedule to the Central Excise and Salt Act,

1944. The effective rates which had remained unaltered since May 1967 were recently revised under the Finance Act, 1972. These are shown below :

			Effective rates prior to the Finance Act, 1972	Current effective rates under the Finance Act 1972
			(Rs. per kg.)	
Yarn spun :				
(a) Wholly out of synthetic staple fibre of cellulosic origin, or				
(b) out of such fibre and cotton, cotton content not exceeding 10% by weight				
	Of and above	below		
(i)	69 NF	—	1.00	1.50
(ii)	51 NF	69	1.00	1.25
(iii)	40 NF	51	0.90	1.20
(iv)	34 NF	40	0.80	0.80
(v)	29 NF	34	0.60	0.70
(vi)	22 NF	29	0.45	0.32
(vii)	14 NF	22	0.30	0.20
(viii)	—	14	Nil	0.10

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9.1.11. While we do not wish to express any opinion on the voluntary price agreement, it is pertinent to point out that *in the case of an industry like the staple fibre spun yarn where there is shortage, both of the raw material, as well as the finished product, periodical difficulties are likely to occur unless a sound and rational system of distribution and pricing of fibres and yarn is evolved and effectively implemented.*

9.1.12. It has been alleged by some of the producers that the weavers are often making inflated demands for some popular counts of yarn which may fetch a premium in the market, irrespective of their actual requirements. On the other hand, some of the weavers have complained that the producers are often not supplying the right counts of yarn required by them and want to sell the popular counts in the open market with a view to obtaining higher prices. The representatives of weavers from Punjab (particularly Ludhiana) have also alleged that whereas their requirements are mostly for coarser counts, i.e. 30s and below, often they are supplied instead with yarn of finer counts (which naturally cost more) on one plea or the other. The plea of the spinners was that though they get some supplies of 1.5 denier, the manufacturers of the fibres supply them relatively more of 1.2 denier. It was also complained to us that some of the Ludhiana weavers were allotted quotas of yarn from distant places resulting in extra cost on account of long haulage. Another point made by the weavers was that the distribution of yarn to them should be made through their organisation or directly to them without the same passing through the dealers appointed by the spinners. We have been informed that the weaving industry consists of a large number of small scale weavers spread over different parts of the country and that their financial resources are meagre. We have not been able to go into the detailed working of the weaving sector and hence in the absence of sufficient data, we are unable to offer any firm opinion in this matter or on the complaints and counter-complaints. What, in our opinion, however does need to be ensured is to eliminate unnecessary links in the distribution chain so that yarn is made available to the weavers at the cheapest possible price. *We also suggest that while introducing the scheme of distribution and price control of spun yarn the authorities concerned should bear in mind the complaints and counter complaints mentioned above and try to ensure, so far as possible, that the spinners satisfy the genuine requirements of the weavers.*

9.2. **Market prices.**—We have received from the Textile Commissioner's office data regarding month-to-month movement of prices of staple fibre yarn in Bombay and Coimbatore markets since 1968. These are given in Appendix VIII.

9.3. **Foreign Prices.**—The Indian Embassy in Japan alone could collect and furnish to us data on domestic market prices of three counts of staple fibre yarn in that country pertaining to 1970 and 1971. These data are given in Appendix IX.

10, Cost of Production and fair selling prices.

10.1. **Cost of production:**

10.1.1. As mentioned in paragraph 2.2 eight units were taken up for cost investigation. Costing was carried out for 1970-71/1970 except in the case of one unit which was originally costed for 1969. This unit, which is located at Kathua, near the Indo-Pakistan border, could not be visited by our Cost Accounts Officer for updating the figures as it had not resumed normal working after the cessation of hostilities. It had, therefore, to be dropped from the consideration of costs.

10.1.2. Our Cost Accounts Officers have ascertained the process-wise costs of production as far as it was possible to do from the data available in the units. The cost data were discussed separately *in-camera* with the representatives of the units and after a proper scrutiny of the data and the evidence tendered, we have estimated the future costs making such modifications as were necessary. Based on these costs of individual units, we have computed the ex-factory cost of yarn for the industry as a whole. The cost factors which were taken into account are briefly discussed below.

10.2. **Raw material:**

10.2.1. Viscose staple fibre which is the basic raw material is either bright or dull in colour. Among the costed units only M/s. Bharat Commerce and Industries Ltd. of Nagda manufacture dull yarn while all the other units manufacture only bright yarn.

10.2.2. Staple fibre is mostly supplied in two deniers, viz., 1.2d. and 1.5d. M/s. Bharat Commerce and Industries Ltd. of Nagda also used 2d.. 8d. and other deniers of staple fibre for some special quality yarn. We have been informed that it is possible to spin yarn up to 40s. from 1.5d. fibre exclusively while 1.2d. or a mixture of 1.2d. and 1.5d. is necessary for 40s and higher and 1.2d. for 60s and above. In actual practice, however, during the costed period as the spinning units could not obtain their full requirements of staple fibre in the deniers required by them they were using more or less a mixture of 1.2d. and 1.5d. in the ratio of 1 : 2. Apart from this compulsion brought about by circumstances, we were told during the public inquiry that some of the spinning units prefer to use a mixture of 1.2d. and 1.5d. as it gives a better finish to the yarn spun out of it. In addition to the purchases of staple fibre from staple fibre manufacturers at fixed prices, the spinning units have also made purchases from the open market paying high rates of premium. For the costed period, the average rates of actual purchases from the staple fibre manufacturers and from the open market have been adopted and costs worked out on that basis.

10.2.3. The staple fibre is invoiced by the manufacturers at a conditioned weight with 13 per cent moisture content. The excise duty leviable on the fibre is however based on the actual weight at the time of despatch without any conditioning in respect of moisture content. Thus, there is a small gain or loss due to a saving in the excise duty or an excess payment thereof depending upon whether the actual weight is less or more than the conditioned weight of the fibre.

10.2.4. The staple fibre is transported to the consuming centres mostly by road which is obviously costlier than rail transport. The spinning units have explained that it was necessary to resort to the costlier road transport in view of the irregularity and uncertainty of availability of railway wagons and the urgent need to keep their mills running. The actual transport cost incurred has been recognised while developing the cost of yarn.

10.3. **Input-Output ratio :**

10.3.1. From the available data we could get the total input of the fibre and output in the form of final packed production of yarn. The difference between the two represents the wastes and losses in the processes.

10.3.2. The losses are of two types, visible and invisible. Visible loss consists of soft and hard waste. The soft waste is taken back into the blow room and re-used while the hard waste is collected and periodically disposed of. The invisible loss consists of loss of fibre which is irrecoverable and loss in moisture content.

10.3.3. In most of the costed units, moisture conditioning facilities exist only upto the spindle point. Thereafter there is no moisture conditioning. Only the unit at Naini conditions the final packed production to 13 per cent moisture content but the other costed units and reportedly all the units in the South do not have such conditioning facilities in respect of packed production.

10.3.4. The ISI's specification No. 3566-1966 does not stipulate moisture content in the yarn and the Indian Standards Institution has advised us that "IS 2427-1968 grading of continuous filament viscose rayon yarn, acetate yarn bright and dull (first revision) specifies a conventional allowance of 13 per cent for viscose rayon continuous filament yarn. As such it may be inferred that the same conventional allowance would be applicable for viscose rayon staple fibre spun yarn as well". Taking into account the prevalent practice in the majority of the spinning units, we have come to the conclusion that the moisture content in the final packed yarn may be taken at an average of 11 per cent, after providing for moisture loss in process.

10.3.5. While the total quantity of hard waste collected and disposed of could be assessed, details of waste arisings from different counts of yarn spun were not available. It was generally agreed that the difference, if any, between the arisings of visible waste from one count of yarn and another would be only marginal. Therefore, the uniform percentage of visible loss has been taken into account in developing costs for different counts of yarn and the realisation from sale of hard waste has been credited to the cost of the raw material. On this basis the net input of fibre per kg. of yarn works out to 1.037 kg. The average loss in hard waste has been observed to be 1.85 per cent of the finished yarn.

10.4. Spinning cost:

10.4.1. The following are the departments/processes through which staple fibre passes in the making of yarn:—

(1) Godown
(2) Blow room
(3) Carding
(4) Drawing
(5) Simplex
(6) Ring frame

The equipment in the different units are of varying age, some of them being very old. Further, even as between departments in the same unit the machinery installed is of different age. Due to these factors process-wise costs vary considerably.

10.4.2. All the costed units do not manufacture the entire range of counts of yarn sold in the market. Since the behaviour of costs varies from unit to unit the weighted average costs of different counts of yarn based on the costs of those units which manufacture them would not yield satisfactory result and may tend to distort the *inter-se* relationship of the costs of different counts. We have, therefore, adopted the ring frame as the cost centre for developing the costs of different counts of yarn.

10.4.3. The total spindle hours used for the various counts of yarn by the costed units have been first determined and the weighted average requirements of spindle hours per kg. of different counts of yarn then developed. The processing costs have also been departmentalised and the cost per 1,000 spindle hours then deduced. Based on the requirement of spindle hours for each count of yarn and the departmental costs, we have developed the cost per kg. of different counts of yarn for the spinning department.

10.4.4. In the preparatory departments, i.e. upto Simplex, the departmentalised expenses were available in some factories, but production at each stage corresponding to the final count of yarn could not be had. Therefore a set of ratios which should normally exist between the processing costs for the different counts of yarn in the pre-spinning departments have been developed on the basis of the technical data like the speeds of delivery and the proportion of expenditure between different processing departments. These ratios have been applied to the total production and relating the total production to the total costs of the preparatory departments, the weighted average cost of the pre-spinning processes for the respective count of the final output of yarn was worked out.

10.4.5. The cost of double yarn has been separately computed on the basis of spindle usage. Reeling and coning charges have also been developed separately. Here also great disparities are found to exist in the costs of different units due to factors such as whether the reeling was done by hand or power or whether coning was done on high speed machines or otherwise.

10.5. **Packing.**—Reeled yarn is generally sold in bundles and coned yarn in cases. The average of the bundling and baling charges for reeled yarn and packing charges for coned yarn have been separately worked out.

10.6. **Depreciation.**—Depreciation has been computed at normal income tax rates on written down value of assets with shift allowance as admissible under the Income Tax Act. The depreciation so calculated has been apportioned among the processing departments, based on the available data.

10.7. **Estimates for the future.**—As discussed in paragraph 6.7 the output of staple fibre in the future is expected to be more or less at the level obtaining in 1970-71 and hence the quantity of staple fibre available to the spinning industry should also be of the same order. Accordingly, changes in the volume of production or utilisation of the plant and machinery are unlikely during the proposed price period. The estimates of future costs are therefore based on these conditions.

10.8. **Raw material:**

10.8.1. The Commission in its Report on the price structure of Man-made Fibre industry (1970) had recommended a fair selling price of Rs. 4.15 per kg. for 1.5 denier staple fibre, F.O.R. Nagda for supplies made by M/s. Gwalior Rayon, Nagda and of Rs. 4.35 per kg. for supplies at Coimbatore from S.I.V. and the Mavoor factory of M/s. Gwalior Rayon.

10.8.2. In the interest of fixing a uniform ex-mill price for yarn, it is necessary to assume a uniform cost for staple fibre delivered at the mills. For that purpose the average transport cost has to be added to the ex-factory price of the fibre. In the case of supplies from Nagda to Coimbatore, where four out of seven of the costed units are located, the average transportation charges incurred by a unit were observed to be 26 paise per kg., while the transport charges incurred by the Naini unit was 17 paise per kg. A unit in Madurai paid transport charges of 55 paise per kg. for supplies from Mavoor.

10.8.3. As stated in paragraph 10.2.4., staple fibre is at present mostly transported by road. The position may ease somewhat if more wagons are made available. Taking all these factors into account, we place the average transport cost for staple fibre at 20 paise per kg. Thus, we have adopted Rs. 4.35 per kg. as the delivered price for fibre at a spinning mill. This is also the price recommended by the Commission for supplies ex-Coimbatore by S.I.V. and Mavoor factories.

10.8.4. Keeping the prevalent differential of Re. 0.42 per kg. between the selling prices of 1.2 and 1.5 deniers, the delivered price for 1.2 denier comes to Rs. 4.77. Providing for excise duty at Re. 1 per kg. and sales tax at 3 per cent. the cost for fibre at a spinning mill is Rs. 5.51 for 1.5 denier and Rs. 5.95 per kg. for 1.2 denier.

10.8.5. The hard waste of the quality fit for re-use was purchased by one of the costed units, having the waste opening facilities, at about Rs. 2 per kg. during the costed period.

The opening cost of this hard waste was observed to be Re. 1 per kg. and the total cost for the opened hard waste comes to Rs. 3 per kg. It was observed that 30 per cent of opened hard waste with 70 per cent of mill's own soft waste and good fibre of 1.5 denier is used for spinning counts below 20s. As we have no data regarding the arising of soft waste and have taken the input ratio only on the basis of hard waste, soft waste is assigned the same value. and taken at the same rate as for good quality fibre of 1.5 denier.

10.8.6. For counts from 20s. upto and inclusive of 40s., a mixture of 1.2 and 1.5 deniers of fibre, in the ratio of 1 : 2 has been considered based on present practice and for counts above 40s. it is assumed that 1.2 denier of the fibre is used although at present yarn of counts above 40 and below 60 is not being produced.

10.8.7. As mentioned in paragraph 10.3.5. the input—output ratio between staple fibre and yarn is 1.037 : 1 and applying this, the cost of fibre for various counts of yarn would be as under :—

(Rs./Kg.)

Below 20s	$\left\{ Rs.3\times\frac{3}{10}\times 5.51\times\frac{7}{10} \right\}\times 1.037$	= 4.94
20s to 40s	$\left\{ Rs.5.51\times\frac{2}{3} + 5.95\times\frac{1}{3} \right\}\times 1.037$	= 5.87
Above 40s	Rs. 5.95 × 1.037	= 6.17

10.8.8. As stated in paragraph 10.3.5 the hard waste arising is 1.85 per cent of the total production of yarn. This hard waste is a mixture of reusable and unusable hard waste. The average rate of realisation for the same was Re. 0.79 per kg. which, related to the average cost of fibre i.e., Rs. 6.28 per kg. of yarn for the costed period works out to 12.6 per cent. As mentioned earlier, a part of this hard waste which is of good quality is being reused after opening, for spinning lower counts like 14s.

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10.8.9. Applying this percentage of 12.6 as realisable value of saleable waste, the credit on this account per kg. of yarn would be 0.233 per cent of the cost of fibre. The net cost of fibre for the different counts after adjusting for the recovery will be as under:—

	Net cost of fibre after credit for waste
	Rs./kg.
Below 20s	4.93
20s to 40s	5.86
Above 40s	6.16

10.8.10. The above prices, which have also been adopted in the computation of Return on the working capital requirements for the fibre and stock of yarn, should be suitably adjusted for variations in the costs of the fibre. The escalation factor on this account has been indicated in paragraph 10.13.

10.9. **Conversion costs.**—In the estimates of conversion costs, due consideration has been given to increase in wages, annual increments to the staff .... and increases in the cost of consumable and other materials. Depreciation for the future has been computed providing for normal replacements of the assets and on the written down value method.

10.10. **Capital employed:**

10.10.1. The average written down value of fixed assets with provision for normal replacements since the costed period has been considered under fixed capital.

10.10.2. The working capital requirements have been assessed at 1.5 months' cost for the raw material i.e., staple fibre and of 0.5 month's for stocks of finished yarn. As for consumable stores, the requirements has been assessed at one month's consumption.

10.11. **Return on capital employed.**—The normal practice of the Commission in recent years has been to treat the minimum bonus of 4 per cent as an item of cost and not as forming part of return. However, in view of the recent judgement of the Supreme Court in Writ Petitions Nos. 327, 330, 331, 486 and 487 of 1969 the minimum bonus of 4 per cent is also now included in return. The requirements of a fair return on capital employed has been assessed at 15 per cent which after meeting the commitments of interest on loans and minimum bonus (at 4 per cent) would enable the industry to provide a reasonable reserve and a fair dividend to the share holders.

10.12. **Fair selling price.**—The fair ex-works selling prices of different counts of yarn arrived at on the above basis, are given in Table No. 9 along with the current voluntary ceiling prices, where available.

10.13. The prices are worked out for counts of yarn that were actually manufactured during the costed period. *For counts in between those mentioned therein interpolation of the fair ex-works price may be adopted.* Other than the counts mentioned above 24s. and 26s. are also recently quoted in the market. The prices for the same may be determined in the following manner. The price for 30s. is Rs. 8.04 and that for 20s. is Rs. 7.57. The difference for 10s. is Re. 0.47. So the variation per count will be Re. 0.047 and for 4s. it will be Re. 0.19 and adding this amount to the price of 20s. i.e. Rs. 7.57, the prices for 24s. would be Rs. 7.76. Similarly the price for 26s. would be Rs. 7.85 per kg. The price for any other intermediate count may be worked out in the same manner.

10.14. The recommended selling prices are based on the overall availability of about 61,000 tonnes of fibre. The estimates of the different parties regarding the availability of fibre have been varied. The Textile Commissioner has placed the availability at not less than 66.000 tonnes. It is therefore felt desirable to provide de-escalation or adjustment clause for increases in the volume of production. The following de-escalation clause may be adopted for adjustment for variations in the production based on availability of fibre either by increased production or by import.

For an increase of 5,000 tonnes in the availability of fibre the reduction in the prices of the various counts of yarn will be as indicated in the column 8 of Table 9.

10.15. **Escalation.**—*For every variation of Re. 1 in the net cost of raw material, the final price of yarn will stand modified by Rs. 1.02 per kg.*

10.16. *We recommend that the fair ex-works prices for different types and counts of yarn may be fixed at the levels indicated in Col. 6 of the Table 9 and they may be kept in force till 31st December, 1974. These prices relate to bright staple fibre yarn.* Some units in the industry also manufacture and sell certain special qualities of yarn like dull and coloured. *As the production of these special qualities is small we have not ascertained their fair selling prices.*

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TABLE 9

Estimated Fair Ex-works Prices of Bright Yarn on Reels & Cones with 11% *moisture content (excluding Excise duty etc.)*

(Rs./Kg.)

Count	Net cost of Raw Materials	Conversion charges	Fair Ex-works Cost Col. 2+3	Return 15% of Capital Employed	Fair Ex-works Price Col. 4+5	Voluntary Ceiling Prices as on 18-7-1972	Redction in Fair Ex-works Prices on overall increase in the availability of fibre by 5000 Tonnes (Para 10.14)
1	2	3	4	5	6	7	8
A Based on Costs							
Reels							
Single Yarn							
14 . . .	4·93	1·29	6·22	0·31	6·53	. .	0·02
20 . . .	5·86	1·36	7·22	0·35	7·57	10·21	0·02
30/31 . . .	5·86	1·78	7·64	0·40	8·04	10·41	0·02
40 . . .	5·86	2·54	8·40	0·53	8·93	11·01	0·03

Doubled Yarn							
2/40 . . .	5·86	3·21	9·07	0·63	9·70	11·71	0·06
2/60 . . .	6·16	5·03	11·19	0·91	12·10	17·00	0·09
2/80 . . .	6·16	7·72	13·88	1·31	15·19	..	0·15
Cones							
Single Yarn							
14 . . .	4·93	1·64	6·57	0·35	6·92	..	0·03
20 . . .	5·86	1·60	7·46	0·37	7·83	10·31	0·03
30/31 . . .	5·86	2·01	7·87	0·42	8·29	10·71	0·03
40 . . .	5·86	2·68	8·54	0·56	9·10	11·41	0·04
60 . . .	6·16	3·96	10·12	0·77	10·89	..	0·05
80 . . .	6·16	6·68	12·84	1·17	14·01	..	0·12
Double Yarn							
2/40 . . .	5·86	3·47	9·33	0·66	9·99	12·01	0·07
2/60 . . .	6·16	5·54	11·70	0·97	12·67	17·40	0·11
2/80 . . .	6·16	8·20	14·36	1·38	15·74	..	0·18
B By Interpolation							
Reels							
Single Yarn							
24 . . .					7·76	10·29	0·02
26 . . .					7·85	10·33	0·02
Cones							
Single Yarn							
24 . . .					8·01	10·47	0·03
26 . . .					8·11	10·55	0·03

Our conclusions and recommendations are summarised below :—

11. Summary of the Conclusions and recommendations.

(i) The fair ex-works selling prices of different types and counts of viscose staple fibre bright yarn may be fixed at the levels indicated in column 6 of Table No. 9 and they may be kept in force till 31st December. 1974. These prices are subject to the following escalation/deescalation

1. For every variation of Re. 1 in the net cost of raw material, the final price of yarn will stand modified by Rs. 1.02 per kg.
2. For an increase of 5,000 tonnes in the availability of viscose staple fibre, the reduction in the prices of the various counts of yarn will be as indicated in column 8 of the Table 9.

(Paragraphs 10.12, 10.14, 10.15 and 10.16)

(ii) The fair ex-works selling prices for counts in between those mentioned in Table No. 9 may be determined by interpolation.

(Paragraph 10.13)

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(iii) The fair selling prices of special qualities of yarn like dull and coloured have not been determined as their production is small.

(Paragraph 10.16)

(iv) A viscose staple fibre spinning unit with 25,000 spindles could be considered as of economic size. This aspect may be borne in mind by the authorities concerned as and when they consider the grant of expansion licences for the manufacture of viscose staple fibre spun yarn in future

(Paragraph 4.10)

(v) The Textile Commissioner should devise ways and means of keeping proper data of spindleage installed as well as worked in respect of all the units in the industry.

(Paragraph 4.13)

(vi) The estimate of demand for viscose staple fibre spun yarn for the current year would be around 80,000 tonnes and that for 1973, 1974 and 1975 within the ranges of 90,000 to 92,000 tonnes, 102,000 to 106,000 tonnes and 116,000 to 122,000 tonnes, respectively.

(Paragraph 5.5)

(vii) The total availability of staple fibre would be considerably less than what would be required for meeting the demand estimates for yarn, even if imports of certain quantities of the fibre are allowed under entitlement.

(Paragraph 5.6)

(viii) No new spindles for expansion should be permitted to be installed for staple fibre spun yarn so long as conditions of scarcity of the fibre continue.

(Paragraph 6.8.16)

(ix) In the context of the present shortage in the supply of staple fibre and the demand for it and also because the gap between the demand and supply would continue to persist at least for the next couple of years, the re-introduction of distribution control, as early as possible, somewhat on the lines of the Staple Fibre Control Order, 1958, with suitable modifications, in the light of the present conditions, is commended.

(Paragraph 6.8.10)

(x) The exclusively staple fibre spinning units originally licensed and such of those cotton textile mills which between 1964 and 1966-67 switched over at considerable expense to spinning of staple fibre yarn, should be considered on equal footing for allotment of staple fibre and given priority over all other categories.

(Paragraph 6.8.13)

(xi) As a matter of Government policy and taking into account the availability of fibre, the authorities concerned with distribution may decide whether the needs of the priority categories should be met fully or partially and what specific quantity of fibre per spindle per month should be allotted to them.

(Paragraph 6.8.13)

(xii) After meeting the demand of the priority categories, surplus may be distributed to other consumers including cotton mills which got into the spun yarn industry after 1966-67, blenders, composite mills and so on.

(Paragraph 6.8.13)

(xiii) While alloting staple fibre to exclusive spinners and cotton mills which shifted to spinning staple fibre yarn, care should be taken to exclude the spindles that were installed by these units after 1966-67 from the priority categories.

(Paragraph 6.8.14)

(xiv) In the case of an industry like the staple fibre spun yarn where there is shortage, both of the raw material as well as the finished product, periodical difficulties are likely to occur unless a sound and rational system of distribution and pricing of fibres and yarn is evolved and effectively implemented.

(Paragraph 9.1.11)

(xv) While introducing the scheme of distribution and price control of spun yarn, the authorities concerned should bear in mind the complaints and counter complaints mentioned in paragraph 9.1.12 and try to ensure, so far as possible, that the spinners satisfy the genuine requirements of the weavers.

(Paragraph 9.1.12)

(xvi) All the units in the industry should adopt I.S.I. Certification Marks so that the consumer is assured of the standard quality of the product.

(Paragraph 7.1.3)

(xvii) It is desirable that the I.S.I. standardises and incorporates in its specifications the moisture content of spun yarn.

(Paragraph 7.2)

(xviii) It would go a long way in encouraging and promoting research if the research institutes like Silk and Art Silk Mills Research Association, Ahmedabad Textile Industrial Research Association, Bombay Textile Research Association, South India Textile Research Association apart from undertaking sponsored research themselves, permit technical personnel of the spinning mills to utilise the research facilities available with them. The spinners' associations should take the lead in this matter.

(Paragraph 7.3)

(xix) The plea of the Export Promotion Council that staple fibre yarn may be given at international prices for export purposes so as to enable the Indian fabrics to compete successfully in the world markets is commended for consideration of Government.

(Paragraph 8.3)

12. Acknowledgements.

12.1. We wish to express our thanks to the producers and consumers of viscose staple fibre spun yarn as well as their associations, producers of the main raw material, staple fibre, the Indian Standards Institution, Research Associations, the concerned Government Departments and our Embassy in Japan for their valuable assistance in connection with this inquiry.

12.2. We also wish to express our apprecation to the officers and staff of the Commission engaged on this inquiry for thier sustained hard work

D. P. ANAND,
Chairman

P. V. GUNISHASTRI,
Secretary

PRAMOD SINGH,
Member

BOMBAY,
Dated: 11*th August,* 1972.

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APPENDIX I

(*Vide* paragraph 2.1)

List of parties to whom questionnaires or letters were addressed and from whom replies or memoranda were received.

*Indicates those who replied.

@Indicates those not interested.

A. *Producers :*

*1. Sitalaxmi Mills Ltd.,
Tirunagar, Madurai-6,
Tamil Nadu.

*2. Essorpe Mills (P) Ltd.,
Ganapathy P.O.,
Coimbatore-6.

*3. Sri Gopalakrishna Mills (P) Ltd.,
P. Box No. 883, Ganapathy P.O.,
Coimbatore-6.

*4. Suguna Mills (P) Ltd.,
"Sugunalaya", Bhasyakarlu Road,
R.S. Puram, Coimbatore-2.

*5. Birla Jute Mfg. Co. Ltd.,
15, India Exchange Place,
Calcutta-1.

*6. Shri Ambal Mills (P) Ltd.,
Samalapuram, Samanur.
Tamil Nadu.

*7. The Premier Mills (CBE) Ltd.,
Othakkalmandapam Post,
Sundarapuram,
(Via) Coimbatore Dist.

*8. Lakshmi Mills Co. Ltd.,
Kuppuswamy Naidu Puram,
Palladam, Madras.

*9. Chenab Textile Mills,
Kathua, Jammu & Kashmir.

*10. India Linoleums Ltd.,
(Victoria Division),
15, India Exchange Place,
Calcutta-1.

*11. Eastern Spg. Mills.
Pirgachha (Barasat)
P.O, Kadambagachhi.
(24, Parganas).

*12. Bharat Commerce & Industries Ltd.,
Moti Mahal,
195, Churchgate Reclamation.
Bombay-20 BR.

*13. Jayshree Textiles & Industries Ltd.,
Tantigaria,
Midnapur (West Bengal).

*14. General Industrial Society Ltd.,
8, India Exchange Place,
Calcutta.

*15. Narsimha Mills (P) Ltd.,
Kannampalayam, Sulur, P.O.,
Dist. Coimbatore.

*16. Swadeshi Cotton Mills, Ltd.,
Naini, Allahabad.

*17. Hissar Textile Mills,
Hissar (Haryana).

*18. Amitabh Textile Mills Ltd.,
Premnagar,
Dehradun.

*19. New City of Bombay Mfg. Co. Ltd.,
Tukaram Bhisaji Kadam Path,
Parel, Bombay-33 (D.D.).

*20. Sutlej Mills Ltd.,
Bhawani Mandi,
Rajasthan.

*21. Rajasthan Spg. & Wvg. Mills,
Bhilwara, Rajasthan.

*22. Rajalakshmi Mills Ltd.,
Singunallur P.O.,
Coimbatore-5.

@23. Madhavnagar Cotton Mills.
P.O. Madhavnagar,
Satara.

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*24. Kerala Spinners Ltd.,
Komalapuram, Aryad North,
P.O. Alleppey.

@25. Mahendra Mills.
Kalol, (Gujarat).

26. The Coimbatore Spg. & Wvg. Co. Ltd.,
P.B. No. 24, Coimbatore.

*27. Sri Varadaraja Textiles (P) Ltd.,
Peelamedu P.O., Coimbatore.

28. Vasudeva Industries Ltd.,
Mellupalayam Road,
S. R. K. Vidyalaya P.O.,
Peri Yanaickenpalayam,
Coimbatore.

*29. The Coimbatore Cotton Mills Ltd.,
Post Box No. 1202,
Uppilipalayam (Post), Coimbatore-15.

30. The Coimbatore Pioneer Mills Ltd.,
Peelamedu Pool, Coimbatore.

31. The Chandra Textiles (P) Ltd.,
Peelamedu P.O., No. 839,
Coimbatore.

32. R. N. Staple Mills.
Ludhiana,
(Punjab).

B. *Producers Associations :*

@1. Southern India Mills Owners Association,
Post Box 1400,
Coimbatore-18.

*2. Indian Cotton Mills Federation,
Elphinstone Building,
Veernariman Road,
Bombay-20 BR.

*3. Man-made Fibres Spinners Association,
Moti Mahal, 7th Floor,
Churchgate Reclamation.
Bombay-20 BR.

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C. *Raw Material Manufacturers:*

*1. The Gwalior Rayon Silk Mfg. (Wvg.) Co. Ltd.,
(Staple Fibre Division),
Birlagram,
Nagda (M.P.).

*2. South India Viscose Ltd.,
Race Course,
Coimbatore 18.

D. *Consumers Association:*

*1. Andhra Handloom Weavers' Co-operative Society,
17/191; Yerneni Mansions,
Gandhinagar,
Vijayawada-3.

2. Andhra Handloom Weavers' Congress,
Nidubrolu (A.P.).

3. Surat Weaving Association,
Surat.

*4. Surat District Industrial Co-operative Association,
98, Baranpuri Bhagol,
Surat.

5. Surat Art Silk Small Manufacturers &
Exporters' Co-operative Society,
Surat.

6. Cambay Saree Manufacturers' Association,
Cambay, Gujarat.

7. Cambay Sari Manufacturers' Co-operative Society,
Cambay, Gujarat.

8. Surat Yarn Merchants' Association,
Surat.

9. Powerloom Industrial Co-operative Society,
Burhanpur, (M.P.).

10. Burhanpur Weavers' Union,
Burhanpur, (M.P.).

11. Burhanpur Weavers' Co-operative Society, Ltd.,
Burhanpur, (M.P.).

*12. Salem Handloom Cloth Manufacturers &
Exporters Association,
127, Appu Chetty Street,
Shevapet, Salem-2.

13. B. Komarapalayam Town Powerloom Association,
Komarapalayam (Madras).

*14. Tamil Nād Millowners' Association,
Madurai-3.

15. Coimbatore Powerloom Owners' Association,
Coimbatore.

16. The Salem District Powerloom Art Silk
Cloth Manufacturers' Association,
272, Trichy Road, Gugai,
Salem-6.

17. Art Silk Ribbon Manufacturers' Association,
Komarapalayam P.O.,
(via) Erode, (Salem Dist.).

18. Registered Small Scale Industries Owners'
Association,
Komarapalayam, (Tamil Nadu).

19. Erode Handloom Cloth Producers' Association,
Erode, Madras.

20. Dakshina Bharat Small Millowners' Association,
Madurai, Madras.

21. Powerloom Cloth Manufacturers' Association,
Madurai, Madras.

22. Powerloom Owners' Association,
Ondiputhur, Madras.

23. Tamil Nadu (Madras State) Handloom
Weavers' Co-operative Society Ltd.,
Madras.

24. Federation of Madurai Art Silk Handloom
Cloth Manufacturers' Association,
Madurai.

25. Madurai Yarn Producers' Association,
67, Ramnad Road,
Madurai-9.

26. Arisipalayam Handloom Weavers' Co-operative
Production and Sale Society Ltd.,
Ponnampet, Salem-9, Madras.

27. Ponnampet Handloom Weavers' Co-operative
Production and Sale Society Ltd.,
Ponnampet, Salem.

*28. Husaini Silk and Art Silk Powerloom Owners' Association, Ltd.,
Nawapura, Malegaon,
Dist. Nasik.

29. Sangli District Powerloom Owners' Association,
Madhavnagar, Maharashtra.

*30. Pallipalayam Staple Fibre Yarn Users Association,
Pallipalayam, Erode-6, (Madras).

31. Ichalkaranji Powerloom Weavers Association,
Ichalkaranji.

32. West Khandesh Texmark Association,
3704, Lane No. 2, Mogalai,
Dhulia.

33. Mysore State Powerloom Silk Manufacturers' Co-operative Society Ltd.,
Bangalore.

@34. Mysore State Cotton Handloom Weavers' Co-operative Society Ltd.,
18, Model House Street, Basavangudi,
Bangalore-4.

35. Mysore Provincial Silk Handloom Weavers' Co-operative Society Ltd.,
Bangalore.

36. The Textile Manufacturers' Association,
4, Diwan C, Mehra Road, P. B. No. 79,
Amritsar.

37. Silk & Art Silk Manufacturers' Association, Ltd.,
Bhiwandi,
Dist. Thana.

38. Bhiwandi Textile Manufacturers' Association,
Bhiwandi.
Dist. Thana.

*39. Surat Art Silk Cloth Manufacturers' Association,
Lal Darwaza,
Surat.

*40. Surat Vankar Sahakari Sangh Ltd.,
Begampura,
Surat-1.

*41. Surat Weaver Co-operative Producers Society Ltd.,
Salbatpura,
Surat.

*42. Sasme Co-operative Society,
Tower Road,
Surat.

43. Tamil Nadu Handloom Weavers Co-operative Society,
Madras.

44. Cottage Industries Powerloom Cloth Manufacturers
Co-operative Society,
Dodballapur (Mysore State).

45. Cotton Silk & Rayon Textile
Co-operative Society Ltd.,
Dodballapur (Mysore State).

46. The Mysore Powerloom Silk Manufacturers
Co-operative Society Ltd.,
Bangalore.

47. Silk & Art Silk Mills' Association Ltd.,
78, Resham Bhavan, Veer Nariman Road,
Bombay-1.

48. Village Handloom Cloth Manufacturers' Association,
24, Hira Market,
Amritsar.

@49. Fair Trade Practices Association,
Great Western Building,
130, Apollo Street, Fort,
Bombay-1.

*50. Hon. Secretary,
Consumer Guidance Society,
339, D. N. Road,
Bombay-1.

*51. Shri Harbans Singh,
President,
Ludhiana Powerloom Corporation,
Azam Building, Dn. No. 3,
Ludhiana-1.

*52. Shri O. P. Sabharwal.
President,
Ludhiana Rayon Manufacturers' Association,
Ahata Sherjung, Ludhiana-1.

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*53. Shri S. P. Lamba,
Vice President,
Textile Manufacturers & Exporters Association,
Ghass Mandi,
Ludhiana.

E. *Central Government Departments :*

*1. The Textile Commissioner,
New C.G.O. Building,
Bombay-20. B.R.

*2. Ministry of Foreign Trade,
Udyog Bhavan,
Maulana Azad Road, New Delhi.

*3. Regional Office of the Textile Commissioner,
40, The Mall.
Amritsar.

*4. Director General of Technical Development,
Rayon & Staple Fibre Directorate,
Udyog Bhavan,
Maulana Azad Road,
New Delhi.

@5. Commissioner General of Civil Supply,
Ministry of Industries,
Govt. of India,
New Delhi.

*6. Indian Standards Institution,
Manak Bhavan,
9, Bahadur Shah Zafar Marg,
New Delhi.

*7. The Collector of Central Excise,
Excise Collectorate Central,
New Excise Building,
M. Karve Road,
Bombay-20. BR.

*8. Collector of Customs,
New Customs House,
Bombay-1.

*9. The Silk & Rayon Textile Export
Promotion Council,
78, Veer Nariman Road.
Bombay-1.

*10. The State Trading Corporation of India,
Chandra Lok,
New Delhi-1.

*11. The Cotton Corporation of India Ltd.,
Air India Building,
Nariman Point,
Bombay-1.

F. *Embassies :*

1. Shri P. Vaidyanathan,
First Secretary, Embassy of India,
Via Francesco Denze, Rome (Italy).

*2. Shri J. C. Ajmani,
Counsellor Embassy of India, II-go,
No. 2, 2-Chome Kudan N Mirami Chiyoda-ku,
Tokyo (Japan).

3. Shri R. C. Joshi,
Consulate General of India,
215, Market Street, San Francisco,
California 94105 (U.S.A.).

*4. Shri N. K. Bharadwaj,
First Secretary, (Commercial),
Commerce Department, India House,
Aldwych, London, W.C. 2.

*5. Shri R. Tandon,
Counsellor (Com.),
Embassy of India, 262, Adenauerallee,
Bonn, (Federal Republic of Germany).

*6. Shri A. B. Gokhale,
Counsellor,
Embassy of India,
8, Boulevard De La Madeleine,
PARIS 9e.

G. *Directors of Industries of State Governments :*

1. The Director of Industries,
Government of Andhra Pradesh,
HYDERABAD.

2. The Director of Industries,
Government of Assam,
SHILLONG.

3. The Director of Industries,
Government of Bihar,
PATNA.

*4. The Director of Industries,
Government of West Bengal,
CALCUTTA.

@5. The Director of Industries,
Government of Gujarat,
AHMEDABAD.

6. The Director of Industries,
Government of Jammu & Kashmir,
SHRINAGAR.

*7. The Director of Industries,
Government of Kerala,
TRIVANDRUM.

@8. The Director of Industries,
Government of Madhya Pradesh,
BHOPAL.

@9. The Director of Industries,
Government of Tamil Nadu,
MADRAS.

@10. The Director of Industries,
Government of Maharashtra,
BOMBAY.

@11. The Director of Industries,
Government of Mysore,
BANGALORE.

12. The Director of Industries,
Government of Orissa,
BHUBANESHWAR.

*13. The Director of Industries,
Government of Punjab,
CHANDIGARH.

*14. The Director of Industries,
Government of Rajasthan,
JAIPUR.

15. The Director of Industries,
Government of Uttar Pradesh,
LUCKNOW.

@16. The Director of Industries,
Delhi Administration,
DELHI.

@17. The Director of Industries,
Government of Himachal Pradesh,
SIMLA.

18. The Director of Industries,
Government of Harayana,
CHANDIGARH.

H. *Others :*

*1. The Ahmedabad Textile Industry's Research Association,
Navarangpura, Ahmedabad-15.

*2. The Bombay Textile Research Association,
Ghatkopar, Bombay-86.

*3. The Silk & Art Silk Mills Research Association,
"Sasmira", Dr. Annie Besant Road, Bombay-25.

*4. The South India Textile Research Association,
Coimbatore Aerodrome, Coimbatore-14.

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APPENDIX II

(*Vide* Paragraph 2·2)

List of Units selected for cost investigation and other details

Name of the Unit	Name of the Officer who conducted cost investigation	Period of cost investigation
1. Sitalaxmi Mills Ltd., Mills Premises Madurai-6, *Tamilnadu*	Shri D.C. Ghosh, A.C.A.O.	From 6-1-1971 to 21-10-1971
2. Suguna Mills Pvt. Ltd., "Sugunalaya", Bashyakaralu Rd; R.S. Puram P.O. Coimbatore-2, *Tamilnadu*	Shri K.P. Sarma, C.A.O.	From 9-10-1971 to 23-10-1971
3. Shri Ambal Mills (P) Ltd., Samalapuram, Samanur, *Tamilnadu*	Shri D.C. Ghosh, A.C.A.O.	From 22-10-1971 to 31-10-1971
4. The Premier Mills (CBE) Ltd., Othakalmandapam P.O., via-Sundarapuram, Coimbatore Dist., *Tamilnadu*	Shri K. P. Sarma, C.A.O.	From 9-10-1971 to 23-10-1971
5. Chenab Textile Mills, Kathua, *Jammu & Kashmir*	Shri K. Ramachandran, A.C.A.O. (Ministry of Finance, Delhi)	From 17-4-1971 to 23-4-1971
6. Bharat Commerce & Industries Ltd., P. O. Birlagram, Nagda, *Madhya Pradesh*	(i) Shri K. Ramachandran, A.C.A.O. (Ministry of Finance, Delhi)	From 13-5-1971 to 22-5-1971
	(ii) Shri K. P. Sarma, C.A.O.	From 10-1-1972 to 17-1-1972

7. Swadeshi Cotton Mills Ltd., Naini, Allahabad, *Uttar Pradesh*	(i) Shri K. Ramachandran, A.C. A.O. (Ministry of Finance, Delhi)	From 5-4-1971 to 10-4-1971
	(ii) Shri S.N. Misra, A.C.A.O.	From 14-12-1971 to 28-12-1971
8. Madhavnagar Cotton Mills, Post Office Madhavnagar, Satara, *Maharashtra*	Subsequently dropped as the unit reported no production.	
9. Rajalakshmi Mills Ltd., Singanallur P.O., Coimbatore-5, *Tamilnadu*	Shri K. P. Sarma, C.A.O.	From 9-10-1971 to 23-10-1971

NOTE.—Shri V.S.S. Rajan, formerly S.C.A.O., Tariff Commission, also visited units at Sl. No. 2 and 9 in May, 1970.

APPENDIX III

(*Vide* paragraph 2.3)

A list of persons who attended the public inquiry on 11th and 12th April, 1972

A. ***Producers' Associations*:**

1. Dr. Rajaram Jaipuria	Representing	Indian Cotton Mills Federation, Elphinston Building, Veer Nariman Rd; Bombay.
2. Shri B.G. Kakatkar		
3. ,, C.V. Radhakrishnan		
4. ,, V.Y. Tamhane		
5. Shri S.L. Bagaria	Do.	Man-made Fibre Spinners Association, Moti Mahal, 7th floor, Churchgate Reclamation, Bombay-20 BR.
6. ,, S. Kedia		
7. ,, P.K. Pillai		
8. ,, R.K. Mohite		

B. ***Producers*:**

9. Shri V. Jagnnathan*	Do.	(i) Suguna Mills (P) Ltd. "Sugunalaya" Bhasyakarlu Road, R.S. Puram, Coimbatore-2. (ii) The Premier Mills (CBE) Ltd., Somalapuram, Somanur. Tamilnadu. (iii) Rajalakshmi Mills Ltd., Singunallur P.O., Coimbatore-5. (iv) The Coimbatore cotten Mills Ltd., Post Box No. 120 2, Upplipalayam (Post), Coimbatore-15. * Also represented The Indian Cotton Mills Federation.
10. Shri G.L. Lath	Do.	Bharat Commerce & Industries Ltd., Moti Mahal, 195, Churchagate Reclamation, Bombay-20 BR.
11. ,, S.V. Ghatalia		
12. ,, P.P. Shah		

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13. Shri G.D. Kedia 14. ,, N.P. Tibrewala	Representing	Chenab Textile Mills, Kathua (Jammu & Kashmir).
15. Shri S.R. Bhawasinghka 16. ,, T. Satyanarayanan	Do.	Swadeshi Cotton Mills Ltd., Naini, Allahabad.
17. Shri A.P. Bharatia .	Do.	Eastern Spg. Mills Ltd., Pirgacha, (Barasat), P.O. Kadambagachi (24, Parganas).
18. Shri S.R. Surendran 19. ,, R. Ramalingam	Do.	Sitalaxmi Mills Ltd., Tirunagar, Madurai-6, Tamilnadu.
20. Shri J.R. Sethia . .	Do.	General Industrial Society Ltd., 8, India Exchange Place, Calcutta.
21. Shri B.C. Jain . .	Do.	Rajasthan Textile Mills, Bhawani Mandi, Rajasthan.

C. *Consumers' Associations* :

22. Shri M.B. Chovli . 23. ,, K.C. Jariwala	Do.	Surat Venkar Sahakari Sangh Begampura, Surat-1.
24. Shri J.J. Hathiwala 25. ,, J.D. Patel .	Do.	Sisme Co-operative Society, Taj Manjil Tower Road, Surat.
26. Shri I.M. Metha . 27, ,, J. I. Gandhi .	Do.	Surat Art Silk Cloth Mfrs. Assn., Resham Bhavan, Lal Darwaja, Surat-3.
28. Shri U.O. Zaveri . .	Do.	Surat Weaver Co-Operative Producers' Society Ltd., Salabatpura, Doriawad, Surat.
29. Shri D.A. Joshi . .	Do.	Silk & Art Silk Mills Assn. Ltd., Resham Bhavan, 78, Veer Nariman Road, Bombay-1.

30. Shri Harbans Singh	Representing.	Ludhiana Powerloom Co-operation, Azam Building Dn. No. 3, Ludhiana-1.
31. Shri O. P. Sabharwal	Do.	Ludhiana Rayon Mfrs. Association, Ahata, Sherjung, Ludhiana-1.
32. Shri S.P. Lamba	Do.	Textile Mfrs. and Exporters Assn., Ghass Mandi, Ludhiana.

D. *Raw Material Suppliers*

33. Shri B.N. Puranmalka	Do.	The Gwalior Rayon Silk Mfg. (Wvg.) Co. Ltd., (Staple Fibre Division), Birlagram. Nagda (M.P.).
34. ,, V.M. Sand		
35. ,, T.N. Tandan		
36. ,, S.K. Sen		
37. Shri P. K. Daruwala	Do.	South India Viscose Ltd., Race Course, Coimbatore-18.
38. ,, K.N. Muthuswamy		

E. *Government Departments* :

39. Shri Y.L.N. Achar	Do.	Textile Commissioner, New C.G.O. Building, Bombay-20 BR.
40. ,, K.S. Bhujang		
41. Shri G.S. Abhyankar	Do.	Indian Standards Institution, Manak Bhavan, 9, Bahadur Shah Zafar Marg, New Delhi-1.
42. Shri G.D. Nerurkar	Do.	Collector of Customs, New Customs House, Bombay-1.
43. Shri K. R. Bhatia	Do.	Collector of Central Excise, Central Excise Building, Maharshi Karve Marg, Bombay-20 BR.
44. Shri O.P. Dhawan	Do.	Silk & Rayon Textile Export Promotion Council, 78, Veer Nariman Road, Bombay-1.

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45. Shri K.N.Tripathi Representing The Cotton Corpn, of India, Air India Building, Nariman Point, Bombay-1.

46. Shri S.R. Jambusaria Do. Director of Industries, Govt. of Gujarat, C-Block, Multistoryed Bldg., Ahmedabad-1.

F. *Others :*

47. Shri H.S. Vachha . Do. Industrial Credit & Investment Corporation of India Ltd., 163, Backbay Reclamation, Bombay-20 BR.

48. Shri A.D. Pandya . . Do. Consumer Guidance Society, Hut-J, Mahapalika Road, Bombay-1.

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APPENDIX IV

(*Vide* paragraph 3.1)

Annual growth of spindleage and production of Viscose Staple Fibre yarn industry since 1951

Year	Monthly average No. of spindles worked per shift ('000s)	Viscose staple fibre yarn production (Tonnes)
1951	NA	10,863
1952	NA	9 018
1953	NA	9,001
1954	NA	13,208
1955	NA	12,710
1956	230	19,939
1957	184	18,912
1958	198	16,758
1959	196	17,960
1960	224	19,880
1961	248	21,989
1962	288	27,678
1963	314	29,442
1964	341	33,655
1965	40[illegible]	40,724
1966	434	46,125
1967	499	50,627
1968	518	58,959
1969	489	54,800
1970	512	61,835
1971	543	63,933

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APPENDIX V

(*Vide* paragraph 4.4)

Unitwise capacity and production of purely Viscose Staple fibre spun yarn units

Sl. No.	Name of the Unit	Capacity (number of Spindles)				Production of yarn (Tonnes)				
		Licensed as on 1-1-1972	Instal-ed as on 1-1-1972	Utilisation of spindles (In numbers)		1968	1969	1970	1971	1972 (Jan.-Feb.)
				1971	1972 (Jan.-Sep.)					
1		2	3	4	5	6	7	8	9	10
1	Shri Ambal Mills, Coimbatore.	15,000	14,976	11,765	11,453	336	396	480	372	50
2	Birla Jute Mfg. Co., Birlapur.	33,050	33,050*	41,202	41,344	4,488	4,260	4,800	4,716	713
3	Bharat Commerce & Industries, Nagda.	32,250	30,800@	N.A.	N.A.	2,916	2,424	2,160	N.A.	N.A.
4	Coimbatore Cotton & Jubilee Mills, Coimbatore.	12,800	12,800	11,868	7,415	1,008	960	1,200	1,188	92
5	Essorpe Mills, Coimbatore.	25,184	25,088	19,399	18,809	1,656	1,740	1,908	1,968	236

APPENDIX V—*Contd.*

	1	2	3	4	5	6	7	8	9	10
6	Gopalkrishna Mills, Coimbatore	25,080	21,512	20,636	21,317	2,160	2,028	2,196	2,136	384
7	Laxmi Mills, Palladam .	25,800	24,304	23,261	18,686	1,920	2,040	2,364	2,676	333
8	Narasimha Mills, Sulur .	12,000	12,060	9,837	8,411	633	588	684	636	66
9	Premier Mills (CBE) Ltd., Udamalpet.	31,358	31,104	30,865	30,815	3,540	3,600	3,972	3,720	421
10	Rajalaxmi Mills, Singanallur.	13,971	12,096	11,185	9,978	1,008	960	1,092	1,032	128
11	R.K. Staple Mills, Ludhiana.	10,000	..	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
12	Swadeshi Cotton Mills, Naini.	28,380	28,380*	40,966	31,151	4,728	4,152	4,260	3,984	666
13	Sitalaxmi Mills, Madurai	26,784	26,784*	26,172	22,964	2,196	2,424	2,616	2,772	437
14	Saguna Mills, Coimbatore	10,200	10,248	9,214	6,973	576	552	636	600	62
15	Vasudeva Industries, Coimbatore.	6,522	Closed	Closed	Closed	N.A.	N.A.	N.A.	N.A.	N.A.
16	Bharat Suryodaya Mills, Ahmedabad.	5,000	..	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
17	Chandra Textiles, Peelamedu.	6,160	6,160*	1,313	..	144	192	228	108	..

18	Coimbatore Pioneer Mills, Coimbatore.	10,120	10,120	2,642	..	324	300	480	312	..
19	Kiran Spinning Mills, Thana.	39,775	39,775*	32,835	28,584	3,384	2,676	2,688	2,868	604
20	Coimbatore Spg. & Wvg. Co., Coimbatore.	8,000	Closed	Closed	Closed	240	108	N.A	..	..
21	Mahendra Mills, Kalol .	32,250	..	N.A.	N.A.	N.A.	N.A.	N.A.	..	..
22	Madhavnagar Cotton Mills, Madhavnagar.	12,000	N.A.@@	385	N.A.	N.A.	N.A.	N.A.	24	..
23	Sri Varadraja Textiles, Coimbatore.	6,204	6,204*	2,412	N.A.	192	192	204	156	N.A.
24	Vijaykumar Mills, Coimbatore.	12,400	12,400*	9,479	3,201	372	624	900	948	117
	TOTAL .	440,288	357,861	305,436	261,101	31,824	30,216	32,868	30,216	4,209

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*These units have diverted some cotton spindles for the manufacture of staple fibre yarn, but on the advice of Textile Commissioner, the number of spindles licensed has been adopted as installed.

@ As on 1-1-1971.

@@ The unit has reported to us that it has not produced viscose staple fibre yarn for the last three years.

APPENDIX VI

(*Vibe* Paragraph 4.4)

Unitwise capacity and production of cotton textiles mills spinning viscose staple fibre spun yarn

Name of the Unit	Capacity utilised in July 1971 (In number of spindles)	Production (in tonnes)			
		1968	1969	1970	1971
1	2	3	4	5	6
1. Aditya Mills, Kishangarh	4,466	792	624	612	492
2. Amitabh Textiles, Dehradun.	5,827	384	516	420	..
3. Chenab Textiles Mills, Kathua	11,556	1,836	1,668	1 920	1,932
4. Eastern Spinning Mills, Calcutta	13,938	1,992	1,884	2,136	3,204
5. General Industrial Society, Calcutta	26,193	3,036	3,120	3,744	2,760
6. Hissar Textile Mills, Hissar	6,168	528	588	552	528
7. Jayshree Textiles Industries Ltd., Rishra	11,440	1,644	1,728	1,986	1,800
8. Kerala Spinners, Alleppey	3,714	..	..	828	828
9. Rajasthan Textile Mills, Bhavani Mandi	7,704	912	1,140	1,404	1,656
10. Rajasthan Spg. & Wvg. Mills, Bhilwara	5,078	1,032	768	828	732

11.	Ramalinga Mills, Aruppukottai	7,825	624	648	564	576
12.	Surat Textile Mills, Surat	12,278	504	444	480	456
13.	Sadhna Textiles, Jamnagar	6,916	..	..	396	372
14.	Shaktigarh Textiles, Calcutta	3,078	..	216	312	252
15.	Bhaskr Textile Mills, Orissa	3,732	..	..	..	372
16.	Prakash Mills, Coimbatore	1,654	204	120	264	252
17.	Jaipur Spg. Mills, Jaipur	4,155	288	408	276	300
18.	Alagappa Textiles, Pudukottai	5,921	72	60	84	108
19.	Arunodaya Mills, Morvi	2,757	36	24	24	..
20.	Kesoram Mills, Calcutta	..	180	216	..	..
21.	Anglo French Textile, Pondicherry	732	192	168	36	24
22.	New City Bombay Mfg. Co., Bombay	3,987	252	228	168	132
23.	Kamala Mills, Bombay	2,607	156	120	132	156
24.	Bukingam & Carnatic Mills, Madras	..	12	12	..	..
25.	Modi Spg. & Wvg. Modinagar	4,115	156	144	324	468
26.	Jaiyaji Rao Cotton Mills, Birlanagar	3,333	624	144	48	132
27.	Technological Institutue of Textiles, Bhiwani	5,282	396	372	732	996
28.	Malbar Spg. Mills, Calicut	4,507	..	..	336	348
29.	Bharat Commerce, Rajpura	23,535	..	..	..	..

APPENDIX VI—*Contd.*

1	2	3	4	5	6
30. India Linoleums, Calcutta	11,607	..	..	..	..
31. Chandrodaya Mills, Davanagere	1,641	..	..	..	..
32. Rajendra Mills, Salem	222	..	..	..	..
33. Surat District. Co-op. Mills, Surat	7,587	..	..	..	..
34. Vasanta Mills, Singnallur	1,659	..	..	..	..
35. Bhiwani Textiles, Bhiwani	2,026	..	..	..	..
36. Moradabad Spg. & Wvg. Mills, Moradabad	666	..	..	..	..
37. New India Industries, Baroda	2,173	..	..	..	..
38. Madurai Mills, Madurai	335	..	..	..	..
39. Jayalakshmi Mills, Coimbatore	1,845	..	..	..	..
40. Shivananda Mills, Coimbatore	5,297	..	..	..	..
41. Jyoti Mills, Coimbatore	1,608	..	..	..	..
42. Dhanalakshmi Mills, Tirpur	2,579	..	..	..	..
43. Kadri Mills, Coimbatore	2,303	..	..	..	..
44. Kothari Textiles, Coimbatore	1,495	..	..	..	..
45. Tirumurthy Mills, Coimbatore	1,317	..	..	..	..
46. Adoni Spinning, Adoni	1,967	..	..	..	..

47.	Trichnapally Mills, Trichinapally	3,682	..	..	..	..
48.	Thirumagal Mills, Gudiyattam	2,220	..	..	..	..
49.	Thaikesar Alai, Manapurai	5,916	..	..	..	..
50.	Birla Cotton Spg. Mills, Delhi	2,399	..	..	..	..
51.	Raghuvanshi Mills, Bombay	1,632	..	..	..	..
52.	Ruby Mills, Bombay	810	..	..	..	..
53.	Bombay Dyeing & Mfg. Co., Bombay	1,227	..	..	..	..
54.	Prithvi Cotton Mills, Broach	1,460	..	..	..	..
55.	Sidhpur Mills, Sidhpur	1,842	..	..	..	..
56.	Radhakrishna Mills, Coimbatore	4,747	..	..	..	..
57.	Shri Ramkrishna Mills, Coimbatore	..	..	..	..	..
58.	Bilaspur Textile Mills, Bilaspur	..	..	..	..	..
59.	Usha Spinning Mills, Faridabad	..	..	..	..	..
60.	Valliappa Textiles, Bangalore	..	..	..	..	..
61.	Gandhidham Spg. Mills, Adipur	..	..	..	..	..
62.	Vardhaman Spg. Mills, Ludhiana	..	..	..	..	..
63.	Enar Spg. Mills, Bombay	..	..	..	..	..
64.	Binod Mills, Ujjain	..	..	..	..	..
65.	Crown Spinning Mills, Bombay	..	..	..	..	..

APPENDIX VI—*Contd.*

1	2	3	4	5	6
66. India Jute Mills, Calcutta	..	..	..	..	..
67. Meenakshi Mills, Madurai	..	..	..	..	..
68. Hindustan Spg. Mills, Bombay	..	..	..	..	..
69. Khatau Mills, Bombay	..	..	..	..	..
70. Coimbatore Murugan Mills, Coimbatore	..	..	..	..	..
71. M/s. Adoni Cotton Mills, Adoni	..	..	..	..	..
72. M/s. Finlay Mills, Bombay	..	..	..	..	..
73. Gopal Industries, Bombay	..	..	..	..	..
74. Jankiram Mills, Erode	..	..	..	..	..
75. Swadeshi Mills, Bombay	..	..	..	..	..
76. Sayaji Mills, No. 2, Bombay	..	..	..	..	..
77. Standard Mills, Bombay	..	..	..	..	..
78. Shanti Textiles, Bombay	..	..	..	..	..
79. Sarangapur Cotton Mills, Ahmedabad	..	..	..	..	..
80. Shubalaxmi Mills, Cambey	..	..	..	..	..
81. Satyanarayana Textiles, Tanuku	..	..	..	..	..
82. Tata Textiles, Bombay	..	..	..	..	..

83.	Gwalior Rayon & Silk Mfg. Co., Nagda	..	..	..	..	..
84.	Hukumchand Mills, Indore	..	..	..	..	..
85.	Jwala Textiles, Delhi	..	..	..	..	..
86.	Pulgaon Cotton Mills, Pulgaon	..	..	..	..	..
87.	Coimbatore Distt. Co-op Spg. Mills, Coimbatore	..	..	..	..	..
88.	Seetaram Mills, Bombay	..	..	..	..	..

APPENDIX VII

(*Vide* paragraph 9.1.5)

Details (as furnished by some mills) of their selling arrangements and commission/brokerage allowed

Name of the Producer	Marketing arrangements	Commission/brokerage allowed
(i) Bharat Commerce . .	Through selling agents and own depots at various places, dealers, retailers and sometimes direct to consumers.	1 to 3 or 4 per cent sales commission; normal rate is 2½ per cent.
(ii) Birla Jute . . .	Through brokers or regional selling agents for various areas, and to actual consumers direct.	1 to 1½ per cent commission to selling agents and ½ per cent to brokers.
(iii) India Linoleum . .	Through regional selling agents for various areas, to big consumers and also to market dealers who sell to small consumers.	1½ per cent commission to selling agents; 10 to 15 paise per kg. as dealer's margin.
(iv) General Industrial . .	Through agents to dealers and consumers.	1 per cent commission to selling agents.
(v) Rajasthan Textiles. .	To own depots and then through dealers.	1 per cent commission plus ¼ per cent brokerage to agents.
(vi) Swadeshi Cotton . .	Own selling agents at important centres who sell directly to consumers.	0.5 to 1 per cent commission on ex-mill price.
(vii) Suguna	Through brokers to yarn parties and sometimes direct to consumers.	Rs. 2.50 per bale of 100 kgs. to brokers.

(viii) Rajalakshmi . . .	Through brokers to merchants and consumers.	Rs. 2 per package to brokers.
(ix) Premier . . .	Selected regular dealers and consumers.	Rs. 2.50 per bale or Rs. 3.00 per case to brokers.
(x) Essorpe	Through brokers and yarn merchants	. .
(xi) Eastern Spg. . . .	Through selling agents, wholesale dealers and direct also.	3/4 to 1 ½ per cent commission to selling agents.
(xii) Kerala Spinners . .	Through sales depots at Coimbatore and Madurai and through agents at Surat, Kanpur etc; also directly or through dealers or Handloom Finance Corpn.	½ to 1 ¼ per cent commission to agents.
(xiii) Lakshmi Mills . .	Own sales depots at important centres; also to dealers and consumers direct.	1½ to 2 per cent of sale value as commission to depots.

APPENDIX VIII

(*Vide* paragraph 9.2)

Month to month movement of prices of important counts of viscose staple fibre spun yarn in Bomday and Coimbatore markets since 1968

A. Prices in Bombay Market (Rs. per Kg.)

Year/Counts	Cones								Hanks					
	20s		40s		2/40s		20s		30s		2/40s		2/60s	
	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1968														
January	8.13	8.40	..	..	10.47	10.47	8.13	8.27	8.69	8.69	10.25	10.25	13.78	13.91
February	7.98	8.47	..	..	10.19	10.41	7.72	8.27	8.60	8.60	10.19	10.34	13.36	13.78
March	7.94	8.53	..	..	10.05	10.41	7.72	8.20	8.40	8.51	9.85	10.19	13.56	13.78
April	7.30	8.27	..	..	9.37	9.63	7.30	7.94	8.27	8.27	9.92	10.41	13.56	13.56
May	8.27	8.27	..	..	9.70	99.19	7.83	8.05	9.63	9.63	9.79	10.19	13.65	13.65
June	8.16	8.27	..	..	10.34	10.80	7.78	8.16	8.69	9.63	10.05	10.47	13.23	13.78
July	8.16	8.27	..	..	10.34	11.16	7.78	8.16	9.63	9.63	10.19	10.47	13.23	13.78
August	8.13	8.53	..	..	10.60	10.80	7.98	8.16	9.37	9.63	10.47	10.67	13.01	13.36
September	8.27	8.27	..	..	10.14	11.29	8.40	8.40	9.37	9.64	10.36	10.60	13.23	13.23
October	8.55	8.55	..	..	10.89	11.29	8.40	8.40	9.37	9.63	10.40	10.60	13.23	13.45
November	8.27	8.69	..	..	10.89	11.09	..	..	8.95	9.37	10.60	10.74	13.01	13.49
December	7.58	8.53	..	..	10.60	10.96	7.94	7.94	8.82	9.37	10.54	10.60	13.36	13.49

January . . .	7.39	8.40	9.83	10.47	10.60	11.02	7.94	8.40	8.82	9.37	10.34	10.60	13.78	13.89
February . . .	7.45	7.72	11.29	11.86	11.44	11.44	7.94	8.38	8.82	9.37	10.80	11.12	13.78	13.84
March . . .	7.72	8.69	11.44	12.26	11.29	11.71	8.53	8.53	9.37	9.63	11.16	11.29	14.33	14.33
April . . .	8.27	9.37	10.47	11.77	..	..	8.53	9.83	9.50	10.19	11.29	11.64	14.88	14.88
May . . .	..	..	10.47	11.89	..	..	8.53	9.37	9.92	10.47	11.29	11.57	14.88	14.88
June . . .	..	..	11.02	11.84	12.54	12.81	9.37	9.37	10.47	10.47	11.44	11.77	15.15	15.15
July . . .	..	..	10.60	11.57	..	..	9.37	10.47	..	..	11.44	11.57	15.01	15.15
August . . .	10.47	11.02	11.38	11.84	12.54	13.23	10.74	10.74	10.74	11.02	11.44	11.84	15.43	15.43
September . .	10.34	11.02	11.02	11.57	13.49	13.49	N.A.	N.A.	10.47	10.74	11.99	12.68	N.A.	N.A.
October . . .	9.91	10.13	10.73	11.78	12.53	12.86	N.A.	N.A.	10.46	10.73	11.56	11.89	N.A.	N.A.
November . .	9.91	10.18	10.79	11.28	12.54	12.67	10.18	10.18	10.33	10.46	11.83	12.05	16.79	17.34
December . .	9.36	9.78	10.79	11.70	12.47	12.54	10.18	10.18	10.33	10.46	11.76	12.23	16.52	16.79
1970														
January . . .	10.18	10.18	11.57	12.56	12.38	12.54	9.96	10.18	9.91	9.91	12.12	12.38	16.65	17.07
February . .	10.05	10.18	11.63	12.67	12.38	12.67	10.18	10.18	..	..	11.46	11.69	16.24	16.94
March . . .	10.05	10.11	11.46	12.54	12.67	12.67	10.18	10.18	..	..	12.54	12.54	15.84	16.39
April . . .	9.69	10.05	11.83	12.80	12.60	12.60	9.63	10.05	..	..	12.25	12.34	15.69	16.24
May . . .	10.05	10.46	11.70	12.67	12.60	12.67	9.63	10.05	..	..	12.12	12.34	15.42	15.97
June . . .	..	..	11.70	12.38	12.56	12.56	9.63	10.05	..	..	11.76	12.25	14.87	15.42
July . . .	9.92	10.19	11.29	12.26	..	12.39	9.63	10.05	..	..	11.71	11.99	14.33	15.43
August . . .	9.49	10.18	11.50	11.25	12.11	12.32	9.63	10.04	..	..	11.37	11.50	14.58	15.68
September . .	9.91	9.91	11.29	11.99	12.12	12.31	9.63	9.91	..	..	11.29	11.37	15.43	15.03
October . . .	9.24	9.79	11.02	11.90	11.99	12.35	9.63	9.92	..	..	11.13	11.44	15.43	15.43

APPENDIX VIII—*Contd.*

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
November . .	9.36	9.78	11.43	12.25	12.25	12.89	9.63	9.91	..	..	11.83	12.53	15.43	15.43
December . .	9.37	10.47	11.71	12.81	..	13.23	10.19	10.60	..	..	12.26	12.94	15.43	16.12
1971														
January . . .	10.73	11.28	11.70	12.80	..	13.48	10.45	10.87	..	..	12.23	12.87	16.50	17.05
February . . .	9.92	10.05	11.02	12.39	..	12.94	..	9.92	..	..	10.69	12.39	14.87	16.52
March . . .	9.92	10.19	10.87	11.99	..	12.39	..	9.92	..	..	10.02	11.99	13.77	15.97
April . . .	..	10.47	10.89	11.64	..	12.12	..	11.02	..	..	10.75	11.84	13.77	15.69
May . . .	..	10.34	10.89	11.77	11.84	12.12	..	..	..	..	11.24	11.70	14.59	15.42
June . . .	10.19	10.89	11.70	13.22	..	12.67	..	..	..	..	..	12.39	14.87	15.42
July . . .	10.34	10.74	11.46	12.39	..	12.54	..	..	..	..	11.84	12.39	14.59	15.00
August . . .	..	9.79	11.70	12.54	..	13.01	..	..	..	..	11.84	11.99	14.32	15.07
September . .	..	10.19	11.84	12.67	..	..	..	..	..	..	..	12.39	14.59	15.69
October . . .	..	11.44	12.25	12.79	..	..	..	..	..	..	13.09	13.14	14.59	15.84
November . .	..	..	11.99	12.67	13.22	14.87	..	..	..	..	12.54	12.80	14.32	15.69
December . .	..	..	10.89	12.87	12.13	15.30	..	..	..	..	..	12.68	14.88	15.70

B. Prices coimbatore market (Rs. per 5 Kgs.)

Year/Counts	Hanks								Cones			
	20s		31s		40s		2/40s		20s		40s	
	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
1	2	3	4	5	6	7	8	9	10	11	12	13
1968												
January	34·50	35·25	38·75	39·75	36·25	40·25	39·75	45·25	35·00	35·75	..	38·50
February	34.75	35·50	38·25	39·25	36·25	40·25	39·25	44·75	35·50	36·00	..	38.50
March	34.25	34·75	37·00	38.25	35·00	39.00	38.25	44·75	34·75	35.25	..	..
April	34·50	35·00	37·25	38·00	34.75	39·50	38·25	52·50	34·50	35·00	..	..
May	34·75	35·25	37·75	38·50	35·25	39·50	39.75	43·75	34.75	35·80	..	..
June	35·25	35·50	37·75	38·50	35·25	40·25	40·25	44·75	34·75	35·80	..	..
July	35·25	35·75	38·50	39·00	39·25	41·75	41·50	46·50	35·75	36·25	..	..
August	35·75	37·00	38.75	39·00	39·25	42·50	42·00	46·50	36·25	36·50	..	
September	36·50	36·75	38·25	39·25	37·50	43·00	41·50	46·50	36·75	37·00	..	44·00
October	36·50	36·75	38·25	39.50	37·25	43·00	42·50	46·50	36·75	37.00	..	44·00
November	36·50	36·75	38·75	39·50	41·25	42.50	42·00	46·25	37·25	37·50	..	42·50
December	36.50	36.75	38.00	39.25	41·25	42·75	41·25	45·75	37·25	37·50	..	42·50
1969												
Jaunary	36·50	36·75	39·25	39·50	41·75	42·75	40·50	46·00	37·25	37·50	..	43·00
February	36·50	36·75	39·75	40·25	41·25	41·75	41·75	47·75	37·25	37·50	..	43·50
March	..	41·75	43·25	43·50	44·25	44·50	44·75	50·25	42·25	44·25	..	49·75

APPENDIX VIII—*Contd.*

1		3	4	5	6	7	8	9	10	11	12	13
April	..	42·25	43·00	43·50	44·25	44.50	44·50	50·25	42·25	43·00	..	49·50
May	43·25	43·75	44·00	44·50	47·25	48·00	45·75	51·25	43·50	44·00	..	49·50
June	43·25	43·75	44·50	45·00	47·25	47.50	47·00	51·50	43·50	44·25	..	49·25
July	43.25	44.25	44.25	45.25	48.25	48.50	47.00	51.75	44.50	44.75	..	49.25
August	45.50	45.75	47.00	47.25	48.75	49.25	48.25	53.00	44.50	44.75	..	49.25
September	45.00	45.25	46.25	46.75	..	47.75	48.50	52.25	45.50	46.25	..	49.25
October	44.00	44.25	44.50	45.25	..	47.50	46.50	51.25	45.00	45.25	..	49.25
November	43.50	43.75	44.25	44.75	..	46.75	50.75	51.75	..	44.25	..	48.75
December	42.75	43.50	44.50	45.25	..	46.50	51.25	51.50	43.25	43.75	..	48.75
1970												
January	43.75	43.50	45.75	46.50	..	47.50	51.50	53.00	43.25	43.75	..	50.25
February	42.75	43.50	46.10	47.50	..	50.25	54.25	55.00	43.25	43.75	..	50.25
March	43.25	43.50	45.75	46.75	50.50	51.25	54.25	55.00	45.00	45.50	..	51.50
April	43.50	43.75	46.25	46.75	50.50	51.25	53.50	54.50	45.50	45.75	..	50.50
May	44.50	45.25	46.25	47.00	50.50	51.50	53.00	53.50	45.50	45.50	..	50.00
June	43.00	43.50	46.00	46.50	49.00	50.00	52.00	52.50	43.50	43.75	..	50.00
July	43.00	43.50	45.00	45.75	46.00	48.50	50.00	51.00	43.25	43.50	..	49.50
August	41.25	42.00	43.50	44.25	45.75	47.00	48.75	49.00	41.75	42.00	..	49.25
September	40.25	41.00	42.00	43.50	43.50	44.50	47.25	49.00	41.00	41.25	..	49.00
October	40.50	41.25	43.00	43.50	43.50	44.75	47.75	48.75	41.00	41.50	..	48.00
November						Not available						

December	Not available											
1971												
January	49.75	50.50	51.75	52.25	55.00	55.50	56.50	57.50	50.50	51.50	..	56.00
February	43.50	44.00	45.25	46.25	49.00	49.25	48.50	50.00	44.50	45.00	..	51.50
March	44.50	44.50	46.00	47.00	48.50	49.50	50.50	51.50	44.00	45.00	..	51.00
April	45.50	46.00	47.00	47.50	48.50	49.50	50.00	51.00	46.00	46.50	..	52.00
May	45.75	46.25	47.00	48.25	43.00	49.00	49.00	51.50	46.50	47.00	..	52.50
June	46.25	46.65	46.50	48.25	49.50	50.50	53.00	53.65	46.50	47.00	..	53.00
July	47.00	47.50	46.00	48.50	51.75	52.00	53.75	54.50	46.50	47.50	..	53.00
August	47.00	47.25	46.00	48.50	51.75	52.50	54.00	54.50	46.50	51.50	..	53.00
September	49.50	50.00	49.50	52.50	53.50	54.00	57.00	57.75	51.00	51.50	..	54.50
October	..	50.50	53.00	54.00	54.00	54.75	59.00	59.50	51.00	51.50		57.00
November	..	55.00	54.50	55.25	56.50	57.00	57.50	58.50	..	..		
December	53.50	54.00	56.00	56.50	56.00	57.00	58.75	59.25	54.50	55.00		..

APPENDIX

(*Vide* Paragraph 9.3)

Domestic prices of staple fibre yarn in Japan

(Rs./Kg.)

		February 1970	December 1971
20s single	—Dull	5.51 to 5.60	5.53
	Bright	5.60 to 5.84	5.28
30s single	—Dull	6.06 to 6.15	5.7
	Bright	5.97 to 6.06	5.72
40s single	—Dull . . .	6.66 to 6.75	7.37
	Bright . . .	7.12 to 7.21	7.37

सत्यमेव जयते

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